





The pieces fall into place AND INTENSIFIED ACQUISITION FOCUS

FOURTH QUARTER 2020

- Revenue amounted to EUR 2,497 (3,285) thousand.
- EBITDA amounted to EUR 1,292 (1,914) thousand. Adjusted EBITDA (before items affecting comparability related to acquisitions, reorganisation, compensation from litigation and new share issues) was EUR 1,023 (1,914) thousand.
- Profit after tax was EUR -685 (610) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR 94 (1,193) thousand.
- Earnings per share after dilution amounted to EUR -0.008 (0.008). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.001 (0.016).
- New Depositing Customers (NDC) increased by 3% (-17%).
- · Cash flow from operating activities amounted to EUR 958 (1,765) thousand

FULL YEAR 2020

- Revenue amounted to EUR 11,630 (14,302) thousand.
- EBITDA amounted to EUR 5,492 (8,357) thousand. Adjusted EBITDA (before items affecting comparability related to acquisitions, reorganisation, compensation from litigation and new share issues) was EUR 5,782 (8,357) thousand.
- Profit after tax was EUR 1,256 (4,934) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR 2,992 (4,219) thousand.
- Earnings per share after dilution amounted to EUR 0.016 (0.065). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.038 (0.056).
- New Depositing Customers (NDC) declined by -18% (-19%).
- Cash flow from operating activities amounted to EUR 5,765 (8,157) thousand.
- The Board recommends that no dividend be paid for the 2020 financial year in order to prioritise growth initiatives.





SIGNIFICANT EVENTS IN THE QUARTER

- The Company's board decided to accelerate implementation of the growth strategy with the aim of responding more proactively to future growth and acquisition opportunities. The Company intensified the acquisition focus and its two largest shareholders have backed the growth strategy.
- In October, the Company issued an update on the results for Q3 2020 and at the same time announced
 that it had entered into a Letter Of Intent (LOI) regarding the acquisition of a fast-growing lead generation
 company within Sports Betting. In early November, a letter of intent was signed regarding
 a potential acquisition in the United States within Sports Betting.
- In November, Acroud carried out a private placement comprising 35,294,118 shares at a price of SEK 2.55 per share, corresponding to approximately SEK 90 million in allocated demand. The issue enables the Company to implement the growth strategy and act quickly when attractive acquisition opportunities arise. At the same time, the Company's financial position was strengthened.
- In November, Acroud completed the first acquisition within Sports Betting in connection with the letter of intent announced in October 2020. The acquired business is a fast-growing lead generation company within Sports Betting, well positioned for emerging markets such as Latin America, Africa and Asia. The acquisition is expected to accelerate the Company's growth in strategic focus areas such as Sports Betting and Emerging Markets.
- In early November, Acroud signed another letter of intent, this time for the acquisition of PMG Group, in order to strengthen its strategic position in the market. PMG is a fast-growing company, predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but is also an industry-leading SaaS service provider with Voonix.
- In December, the Company was granted a licence to operate in Michigan, which was regulated in January 2021, and includes Sports Betting, Casino and Poker.
- At the end of the quarter, Acroud obtained bondholders' approval regarding certain amendments to the terms and conditions of the outstanding senior secured bond loan. The approval meant that the majority owner Trottholmen may own less than 50% of the shares in the Company.





SIGNIFICANT EVENTS AFTER THE QUARTER

- Acroud acquired the assets of Power Media Group, consisting of Voonix, Matching Visions and Traffic Grid, in order to strengthen its strategic position in the market. The target companies are fast-growing companies, mainly in the European market with the affiliate network Matching Visions and the performance marketing company Traffic Grid, but are also an industry-leading SaaS service provider with Voonix. During 2020, the target companies generated revenue of EUR 9.6 million and EBITDA of EUR 0.9 million.
- After the end of the period, the Company obtained a licence to operate in Pennsylvania, which is already a regulated State. At the same time, Michigan, where Acroud already has a licence, was regulated, which means that Acroud can run Sports Betting, Casino and Poker affiliate operations in both states.
- After the end of the period, the Company has convened an EGM in order to launch a comprehensive share option programme for employees. The employee share option will cover 30 employees and will run for three years until March 2024. The EGM will be held on 1 March 2021.
- After the end of the period, the Company has signed another letter of intent for the acquisition of a European-based media company within Sports Betting ("the target company"). The target company is a fast-growing company that offers both a software-based "gaming tips" service and highly popular streaming channels within Sports Betting, Poker and Horse Racing. The target company has a clear strategic fit with Acroud, whereby we strengthen our software offering (SaaS), while adding some of the most popular media channels, YouTube and Twitch, to our offering. The target company generated annual sales of approximately EUR 1.4-1.5 million, based on the 9-month period Q3 20-Q1 21, with an EBITDA margin of about 60%, resulting in annual EBITDA of EUR 0.9-1.0 million. The agreement includes a total initial purchase consideration of approximately EUR 5.0 million on a cash and debt-free basis, and an additional consideration which is contingent on EBITDA in 2023. The acquisition is still conditional on a final board approval and that the parties enter into a final purchase agreement. The goal is for the transaction to be completed in the first half of 2021. The purchase price is planned to be settled 50% in cash and 50% in newly issued shares in the Company.

KEY FIGURES	OCT-DEC		JAN-DEC			
EUR thousands	2020	2019	Y/Y%	2020	2019	Y/Y%
Revenue	2,497	3,285	-24%	11,630	14,302	-19%
Organic growth, %	-24%	-31%	+7 pp	-18%	-25%	+7 pp
EBITDA	1,292	1,914	-33%	5,492	8,357	-34%
EBITDA margin, %	52%	58%	-6 pp	47%	58%	-11 pp
Adjusted EBITDA	1,023	1,914	-47%	5,782	8,357	-31%
Adjusted EBITDA margin, %	41%	58%	-17 pp	50%	58%	-8 pp
Profit after tax	-685	610	-212%	1,256	4,934	-75%
Earnings per share (after dilution)	-0.008	0.008	-194%	0.016	0.065	-76%
Adjusted profit after tax	94	1,193	-92%	2,992	4,219	-29%
Adjusted earnings per share (after dilution)	0.001	0.016	-93%	0.038	0.056	-32%
Net debt/adjusted EBITDA (rolling 12 mth)	2.6	2.8	-	2.6	2.8	-
NDC growth, %	3%	-17%	+20 pp	-18%	-19%	+1 pp

pp = percentage point



A challenger on a quest, going through changes

Who is this challenger called Acroud? And which quest are we on? To answer these fundamental questions, let us look back and reflect before we look to the future.

It's now almost a year since I had the privilege to be appointed CEO of Acroud, and we started the journey to create "the Media House of The Future". This year has been a very eventful year to say the least, especially on a global level as everyone is aware. But let's focus on the Company. The Company has, in high speed, transformed from its old mindset towards being an entrepreneurial forward leaning company. It is now "A crowd" of brilliant minds and a company with a unique position on the market. The year has been characterized by intense change management work where we have rebuilt the company in rapid pace including secured refinancing, raised new capital, changed the company name to Acroud, built a strong team with profound industry experience, executed strategic acquisitions, etc. Consequently, there has been a major shift in strategy to be more offensive, creating a company prepared for strong future growth.

Trend shifts in the fourth quarter...

Financially 2020 has been a challenging year where revenues and margins have decreased much related to regulative effects, and it is also an effect of the historical strategy. When starting as CEO I expected it to take around 12 months before we would see some initial fruits of the change management work. Therefore it is extra gratifying to see the current trend shifts at the end of the fourth quarter such as:

- NDC levels are increasing quarter on quarter more than doubling, in part driven by acquisitions
- REVENUE increasing 5% quarter on quarter reaching 2,497 kEUR
- ADJUSTED EBITDA increasing 7% quarter on quarter reaching 1,023 kEUR

We can be proud of this progress, even though in all honesty, it does not matter in grand scheme as the financial figures are just "a captured moment in time" that is behind us already. Remember "better is only temporary", because tomorrow we will be better than today.

If we look at the last quarter and the period up until now, it becomes far more exciting as this has been an especially eventful quarter, in which many pieces of the Acroud puzzle have fallen into place.





Pieces in the puzzle falling into place...

During the last quarters a new more offensive growth strategy has been implemented to build the platform for growth and creating a unique company on the market.

We raised 90 MSEK with a new share issue strengthening our balance sheet and enabling us to create the new position on the market through strategic acquisitions. In connection with the new share issue we also welcomed several new investors to Acroud making us even stronger. With parts of the funds we completed the acquisition of the companies in the Power Media Group ("PMG") and the assets in RIAE Media. RIAE Media and the Power Media Group are transformative acquisitions being important pieces in the puzzle turning Acroud into something new. Acroud's vision is to create value and enable content creators (for instance bloggers, youtubers, affiliates, etc.) to monetize on their work with new tools and new business. To clarify this in the best possible way. Media and information is created and consumed, as well as monetized in fast, new and ever changing ways. Therefore, we have a vision to build "The Media House of The Future", which in fact is a vision we will never reach even if we do things right because as I said, better is only temporary. Consequently we enable businesses to thrive and acquire consumers through entertaining and trustworthy content.

Through the acquisitions we have transformed to a more diversified company with several different revenue streams. In fact we have created a company adapted for strong growth with significantly lower risk profile than earlier. Through RIAE Media we have strengthened our Sports Betting vertical and gained traction on both Emerging Markets and the US. Through Power Media Group we get profound industry knowledge and a strong team with totally new revenue streams and products.

Looking to the future, we still have some pieces of the puzzle to put in place via additional acquisitions and continued development of the underlying business, which is something we are currently working on. However, the pieces are falling into place as I would like to give a flavor of what we are creating below.

At your service...built on three strategic pillars.

The new Acroud that is being created is based on three strategic pillars creating growth and value for the shareholders.

The first Pillar – Affiliate Business. This is our underlying affiliate business containing the Poker, Sports Betting and Casino verticals. In the affiliate business we operate websites generating traffic for the operators. We are providing content and we can through the acquisition of PMG utilize the SaaS and BaaS solutions to increase the underlying growth and profitability in the affiliate business. In other words there are significant synergies within this field.

The second Pillar – SaaS Business. There is a lot buzz around "Software as a Service" (SaaS) and through the acquisition of the assets in PMG we are from this year also a SaaS company. But we are also more than that. Let me explain. In line with our vision of providing a way for "content creators" to better monetize their work, we now offer two sets of software solutions, one being Voonix which is an industry leading data collection tool on the affiliate market. The other being Affhut, allowing whoever wants to build and create their own network of content creators.

The third Pillar – BaaS Business. We can now also offer what we would like to call "Business as a Service" (BaaS), which is Matching Visions. Matching Visions gives the media creators (for instance bloggers, youtubers, affiliates, etc.) access to a much larger client base, unique software and business terms, otherwise out of their reach. Predominantly this currently means that thousands of smaller iGaming affiliates around the world come together, via Matching Visions, to provide traffic and new players for online gaming operators. In other words Matching Visions makes life easier for both operators and affiliates. Simply put, Business as a Service.

Going forward we will, through horizontal expansion, expand our BaaS and SaaS offerings outside the iGaming industry. There are huge potential and upsides down the line in this field.



Continued expansion in the US

We continue on the track with focus on the US market reaching 20% of revenues in North America in the fourth quarter. We are seeing increased traffic driven by the Poker vertical while we have recently been awarded licenses in large states such as Michigan and Pennsylvania. We also expect to get licenses within short in Illinois and Virginia.

Some of our sites are gaining traction and are ranking well in the fourth quarter leading to larger opportunities to grow organically within Sports Betting, Casino and Poker. We are currently evaluating our different growth initiatives in the US to find the right balance between organic growth, partnerships with Media Houses and executing possible strategic acquisitions.

Back to land-based gaming events, why?

The logic behind facilitating gaming events is clear. We strengthen our position within Poker, we create buzz and a lot of high quality content, which will help our flagships, such as Pokerlistings.com and CompareCasino.com to grow even further. We also assess that the gaming events will generate positive EBITDA already from the first event besides from all other synergies which are generated.

The first stop for our events named "Thefestival.com" will be in Tallinn in June 2021, depending on the COVID-situation. This is the first in a series of poker & casino events facilitated by Acroud in amazing cities worldwide. It combines the best of poker and casino - all in one scene.

Our first stop will introduce competitive roulette & blackjack tournaments alongside various poker formats our players know and love.

Entering the streaming market with full force and signed LOI

We are entering the streaming market building a new brand that will be our new streaming network. This will unite the iGaming streaming community "under one roof" and offer an "all-in-one service" to any streamer looking to grow their channel.

We have teamed up with some big international streamers and this together with unrivalled technology and industry knowledge will be a "Game Changer" for Acroud. The streamer business will be rolled out during the first quarter of 2021. It's natural for us to start the roll-out within iGaming, but we are looking forward to bringing this business to other verticals such as e-sports.

We are fully convinced that streaming high quality content is a vital part of the future development of our industry and many other verticals within the media sector. The classic "affiliate comparisons sites" still have their target audience, however this type of high-quality content reaches beyond that. In line with this market development we have just also signed a LOI to acquire a European based media company within Sports Betting ("The Target"). The Target owns and operates some of the Europe's best video channels within Sports Betting, Poker and Horse Racing. The Target also develops SaaS solutions within Sports Betting which makes them a "strategic fit" to Acroud and an important piece in the puzzle. In addition, the Target has shown a history of strong growth and at the same time we see many synergies in the future. The acquisition is still conditional on a final board approval and that the parties enter into a final purchase agreement.

In Summary, the pieces in the Acroud puzzle are falling in place to build "The Media House of The Future" and we are prepared for solid growth. You can expect us to continue to keep our rapid pace, invest wisely and challenge the status quo. As we all know the only constant in life is change.

So...

Join The Ride

Robert Andersson Malta, 18 February 2021



The Group's development QUARTER OCT-DEC 2020

Revenue

Revenue for Q4 declined to EUR 2,497 (3,285) thousand. We see a sequential increase in revenue from Q3, driven by positive growth in Poker and acquisitions in Sports Betting.

The revenue level for Q4 2020 compared with Q4 2019 and Q3 2020 has been negatively affected by the recovery for Sports Betting proceeding a little more slowly than expected, while the Company has adjusted the product offering to ensure compatibility with the rules in the Dutch market.

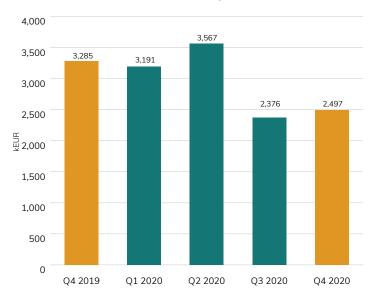
New Depositing Customers (NDC) showed growth of 3% compared with the corresponding period the previous year, driven by factors such as an increased number of NDCs in Sports Betting and Poker. We see increasing NDC growth in January and expect strong growth going forward as the underlying KPIs on our sites show positive trends.

90% of Acroud's revenue in Q4 2020 was generated from the Casino and Poker verticals. The two verticals are the foundation of the revenue base and the Poker vertical in particular has increased in relation to total revenue, with one of the main drivers being Pokerlistings.com.

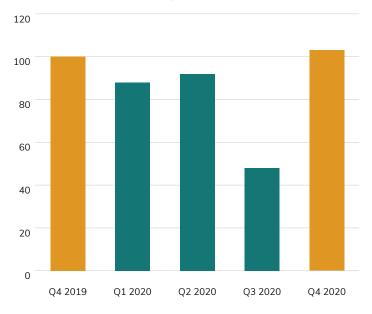
Acroud currently has limited exposure to Sports Betting, with 8% of the Company's total revenue being generated from the vertical in Q4 2020. The Company therefore expects a limited effect from the many cancelled sports events globally. Acroud also expects some of the Sports Betting revenue that would have been realised during 2020 to be postponed 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 can see that we will have a higher share of revenue within the Sport Betting vertical over time, due to, among other things, completed and planned strategic acquisitions in combination with development of our existing sites. Sports Betting growth over the last year has been driven both by the initiatives we have launched and refinement of domains acquired in 2019 and 2020.

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 Q4 2019.



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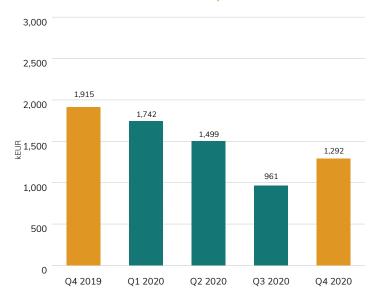
Since the previous year, we have also seen our position with strong domains in the North American market strengthening as more states are regulated. During Q2, we also saw a sharp increase in traffic flow, which slowed down to some extent in Q3, only to increase again at the end of Q4.

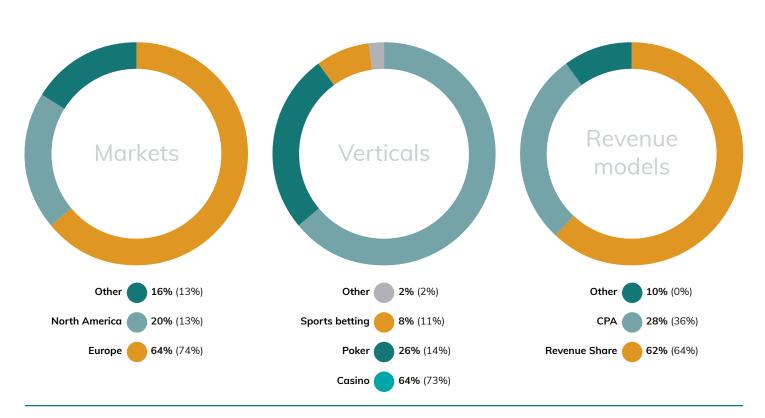
We are seeing an increasing traffic flow in North America, primarily in Poker, and North American revenue for Q4 2020 increased compared with the same period the previous year. The North American market remains attractive to us, with the ongoing wave of regulation which is expected to create one of the world's largest markets for Poker, Casino and Sports Betting over time. Several initiatives have been taken to strengthen our position in the North American market over the last year, including upgrading Pokerlistings.com to a new platform and launching a separate Sports Betting and Casino section. The offering has also been broadened with the introduction of social gaming, which has developed strongly during Q4. During the quarter, we also obtained further licences to operate in Michigan and a licence in Pennsylvania after the end of the guarter. We expect to be granted licences in Illinois, Tennessee, and Virginia in the next quarter.

During Q4 2020, we have seen a continuing stabilisation of the percentage of revenue share at 60-65%. The percentage is now 62% (64%) of total revenue. The transition to an increased percentage for revenue share strengthens our growth over time and gives the Company long-term stability. In connection with the restructuring work during 2020, a Key Account Team has been appointed, including a Chief Commercial Officer. This has resulted in the implementation of new revenue streams, generating revenue from flat fees, banner fees etc., which accounted for just over 10% of Q4 revenue, compared with 0% for the same period the previous year.

During Q4 2020, the Company recognised non-recurring income (reported as other operating income and not included in revenue) as the Company received compensation of EUR 409 thousand in connection with a dispute, accounted for as items affecting comparability.

EBITDA-development







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Costs

Operating expenses for Q4 2020 were higher than in Q4 2019. Costs during Q4 2019 were extraordinarily low.

The cost base in Q4 was negatively affected by an established credit loss of EUR 120 thousand within Casino. Apart from this credit loss, the cost base was unchanged sequentially from Q3 2020.

Q4 personnel expenses, excluding items affecting comparability, were stable at EUR 825 (805) thousand compared with Q4 2019. Personnel expenses were also stable sequentially, and are expected to decline in the future as the number of employees has decreased at the end of Q4 2020. Personnel expenses in Q4 2020 were negatively affected by items affecting comparability of just over EUR 29 thousand related to reorganisation.

Other external expenses in Q4 2020 increased both compared with Q4 2019 and sequentially, driven by high activity in the transformative work and the established credit loss of EUR 120 thousand. External expenses in Q4 2020 were negatively affected by items affecting comparability of just over EUR 111 thousand related to acquisitions, new share issues and reorganisation. We have a strong focus on continuing cost control in order to run operations with a high margin.

Depreciation/amortisation and net financial items

The Company's depreciation during Q4 2020 amounted to EUR 187 (152) thousand and has increased from Q3 2020, primarily due to the acquisition of the assets of RIAE Media.

Acroud's net financial items for Q4 2020 amounted to EUR -1,700 thousand, compared with EUR -1,060 thousand for the same period the previous year. Interest expenses are primarily related to loan financing.

Net financial items in Q4 2020 were negatively affected by currency effects of EUR -1,048 (-583) thousand related to loan financing and cash proceeds, which were denominated in SEK.

Earnings

Operating profit before depreciation (EBITDA) was EUR 1,292 (1,914) thousand. The reduced EBITDA level is primarily related to the revenue decline described on page 9, which meant that the EBITDA margin decreased to 52% compared with 58% in Q4 2019.





The Group's development FULL YEAR 2020

Revenue

Revenue for the full year 2020 fell by 19 percent to EUR 11,630 (14,302) thousand. Revenue for the full year 2020 has been affected by regulatory effects and the fact that the recovery for Sports Betting proceeded somewhat more slowly than expected. The Company has adjusted the product offering to ensure compatibility with the rules in the Dutch market, which has had a negative effect of 19 percent on revenue.

Costs

During 2020, a reallocation of the Company's costs was conducted in connection with the reorganisation and efficiency measures. There has been a shift in costs from support costs to marketing costs such as content on our sites in order to drive traffic and improve rankings.

At the same time, the organisation has been adapted to a more sales-driven organisation with fewer employees.

Costs adjusted for items affecting comparability for the full year 2020 increased by 5 percent compared with 2019. The increase is a result of higher external expenses, primarily driven by marketing costs.

Personnel expenses adjusted for items affecting comparability have declined to EUR 3,468 (3,719) thousand, driven by a smaller number of employees in connection with the efficiency programme.

Earnings

Operating profit before depreciation (EBITDA) declined to EUR 5,492 (8,357) thousand. EBITDA excluding items affecting comparability was EUR 5,782 (8,357) thousand. The EBITDA margin excluding items affecting comparability fell to 50 (58) percent, which is an effect of reduced revenue, while the cost base increased slightly, primarily within marketing costs.

The Company's net financial items amounted to EUR -2,805 (-2,316) thousand. Interest expenses showed a gradual decline of 26% during the year, falling from EUR -2,530 thousand to EUR -1,858 thousand, reflecting the reduction in borrowing. At the same time, net financial items for the full year were negatively affected by currency effects of EUR 703 thousand related to loan financing, which is arranged in SEK. In 2019, net financial items were positively affected by currency effects of EUR 715 thousand.

The Company's continuing strong cash conversion enabled us to repurchase our own bonds and make bond repayments at a nominal value of SEK 85 million and the generation of finance income of EUR 584 thousand in 2020.

During the year, the Company also reduced its tax expenses, which amounted to EUR -276 (-380) thousand in 2020.

Profit after tax declined to EUR 1,256 (4,934) thousand and earnings per share after dilution declined to EUR 0.016 (0.065)









Financial position

Cash flow and investments

Cash flow from operating activities during Q4 2020 amounted to EUR 958 thousand, compared with EUR 1,765 thousand in Q4 2019. The decline is primarily related to a lower EBITDA level. Cash flow from operating activities for the full year 2020 was EUR 5,765 (8,157) thousand. Working capital was negatively affected by an increase in receivables, with somewhat later customer payments around the turn of the year. In addition, working capital was negatively affected in the quarter, driven by a reduction in trade payables and settlement of VAT. Working capital for the full year 2020 was positive.

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 -994 thousand in Q4 2020, compared with EUR -185 thousand in Q4 2019. The increase during the quarter is attributable to the settlement of the purchase consideration of EUR 699 thousand for the acquisition of the assets of RIAE Media (primarily domains). Other investments (acquisition of intangible assets) in Q4 2020 were mainly related to website development for expansion into the North American and European markets.

Cash flow from investing activities for the full year 2020 amounted to EUR -2,294 (-2,193) thousand. Investments in 2020 were primarily related to the purchase consideration for the assets of RIAE Media (EUR 699 thousand), settlement of the additional consideration for MaxFreeBets (EUR 600 thousand) and investments in intangible assets.

Cash flow from financing activities in Q4 2020 amounted to EUR 5,898 (-6,562) thousand. In November, a private placement took place and proceeds from the issue of own shares amounted to EUR 8,850 (0) thousand. At the same time, the Company incurred issue expenses of EUR 501(0) thousand. Repayments of borrowings of EUR 2,018 (5,959) thousand attributable to the repurchase of own bonds (EUR 1,442 thousand, having a nominal value SEK 14 million) and bond repayments took place in Q4 (EUR 576 thousand). Interest paid on the bond loan during Q4 2020 has decreased to EUR -435 (-603) thousand.

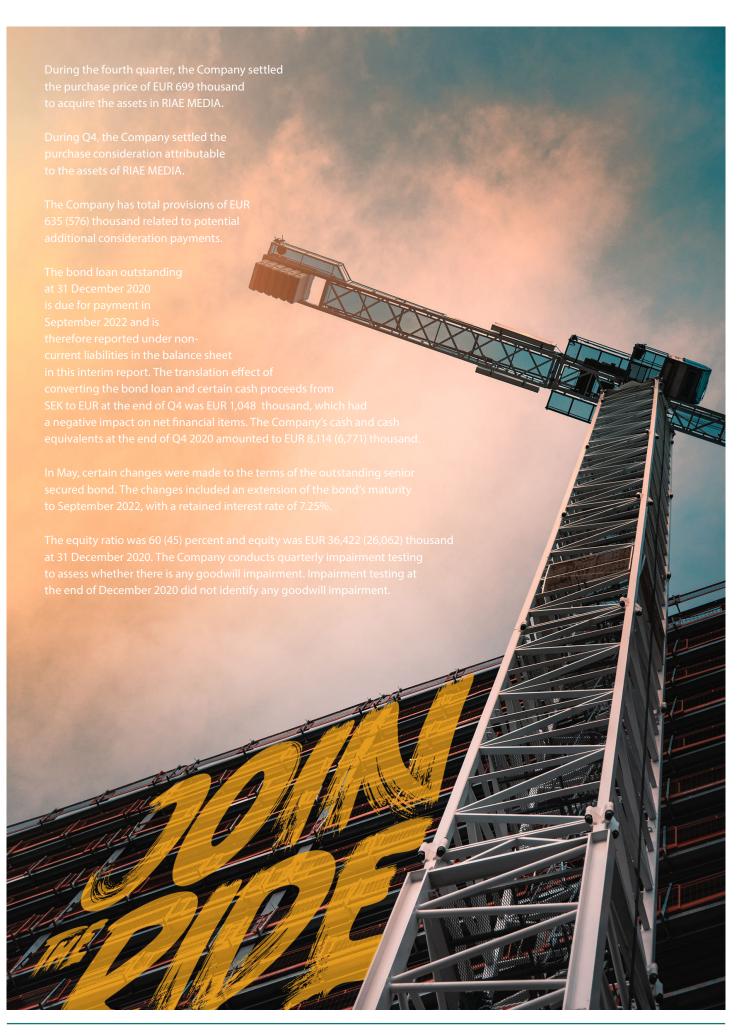
Cash flow from financing activities for the full year 2020 amounted to EUR -2,084 (-8,694) thousand. Cash and cash equivalents from the issue of own shares amounted to EUR 8,850 (0) thousand and issue expenses related to the refinancing during the first half of the year and the new share issue in the second half of the year amounted to EUR -1,616 (0) thousand. In 2020, repurchases of own bonds amounted to EUR -6,136 (-5,959) thousand and bond loan repayments amounted to EUR -1,178 (0) thousand. Interest paid on the bond loan during 2020 has decreased to EUR -1,828 (-2,565) thousand.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period was EUR 14,831 thousand, compared with EUR 23,522 thousand at the end of Q4 2019. Acroud's current gross debt amounts to SEK 230.1 million, of which the bond amounts to SEK 223.3 million (excluding the bond repurchases of SEK 151.8 million in Q4 2019 and 2020). Converted using the closing rate, the bond loan amounts to EUR 21,595 thousand. At 31 December 2020, the net debt/adjusted EBITDA ratio is 2.6x. Acroud's long-term target is a maximum net debt/EBITDA ratio of 2.0x over time. During 2021 and beyond, the Company will continue its efforts to reduce the net debt/EBITDA ratio.



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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
Oct-Dec 2020	-194%	-24%	2.6
Jan-Dec 2020	-76%	-18%	2.6



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Other information

The share

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

Share capital

Share capital on 31 December 2020 amounted to EUR 2,883, thousand divided into 113,950,153 shares. 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 2020 was 2,224.

A new broader employee share option program is scheduled to be implemented during March 2021. See note 4 for detailed information.

Shareholder structure

The total number of shares in the Company on 31 December 2020 was 113,950,153, distributed as shown below.

Name	No. of shares	Ownership, %
Trottholmen AB	57,390,981	50.36%
Strategic Investment A/S (JPM Chase)	17,701,468	15.53%
Avanza Pension	5,628,976	4.94%
Byggnadsaktiebolaget Westnia	3,104,407	2.72%
RIAE MEDIA	3,073,291	2.70%
House of K Investment AB	1,822,520	1.60%
ES Aktiehandel	1,672,350	1.47%
Clearstream Banking S.A.	1,507,000	1.32%
Nordnet Pensionsförsäkring AB	1,220,081	1.07%
Trading House Scandinavia	1,176,400	1.03%
Credit Suisse S.A.	1,111,111	0.98%
Robert Andersson	1,000,000	0.88%
Adrian Nelje	963,555	0.85%
Euroclear Bank S.A.	784,300	0.69%
Henric Stenholm	784,300	0.69%
Other shareholders	15,009,413	13.17%
TOTAL	113,950,153	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 (7.8) million.

Relevant risks and uncertainties

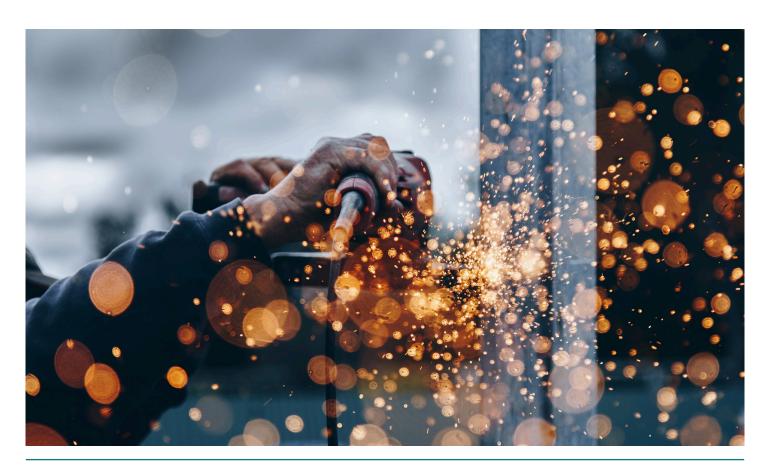
Acroud is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. Financial risks are related to factors such as exchange rates, interest rates, liquidity and credit. Risk management within the Acroud Group is aimed at identifying, 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-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. 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.

Stockholm, 18 February 2021

This year-end report has not been audited or reviewed by the Company's auditors.

BOARD AND CEO

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

For further information, please contact

Robert Andersson, President and CEO Gustav Vadenbring, CFO Mobile: +356 9999 8017 Mobile: +356 9967 6001

Forthcoming report dates

Interim report January-March 2021: 20 May 2021 Interim report April-June 2021: 12 August 2021

Interim report July-September 2021: 12 November 2021

EGM: 1 March 2021

Publication of annual report 2020: 19 April 2021

2021 AGM: 20 May 2021

Presentation for investors, analysts and media

A live webcast will be held on 18 February 2021 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-q4-2020

To join the conference call, ring:

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Acroud AB (publ)
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Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/10/2020 31/12/2020	01/10/2019 31/12/2019	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Revenue notes 2, 3	2,497	3,285	11,630	14,302
Total revenue	2,497	3,285	11,630	14,302
Capitalised work for own account	286	146	1,031	565
Other external expenses	-1,085	-688	-3,908	-2,864
Personnel expenses	-854	-805	-3,689	-3,719
Other operating income	472	-5	510	122
Other operating expenses	-24	-19	-82	-49
EBITDA	1,292	1,914	5,492	8,357
Depreciation/amortisation	-187	-152	-1,155	-727
Operating profit (EBIT)	1,105	1,762	4,337	7,630
Profit/loss from financial items				
Interest and similar income	-	306	584	306
Interest and similar expenses	-626	-764	-2,660	-2,999
Impairment of financial assets	-	-	-	-331
Other financial items	-1,074	-602	-729	708
Profit/loss from financial items	-1,700	-1,060	-2,805	-2,316
Profit before tax	-595	702	1,532	5,314
Tax on profit for the period	-90	-92	-276	-380
Profit/loss for the period	-685	610	1,256	4,934
Earnings per share (EUR)	-0.008	0.008	0.016	0.065
Earnings per share after dilution (EUR)	-0.008	0.008	0.016	0.065
Other comprehensive income, income and expenses recognised directly in equity				
Exchange differences on translation of foreign				
operations	-18	-15	-37	13
Other comprehensive income for the period	-18	-15	-37	13
Total comprehensive income for the period	-703	595	1,219	4,947



Consolidated Statement of Financial Position

	31/12/2020	31/12/2019
Assets		
Non-current assets		
Goodwill	42,856	42,856
Other intangible assets	7,392	5,005
Right-of-use assets	214	366
Property, plant and equipment	143	193
Other non-current receivables	106	116
Deferred tax assets	20	156
Total non-current assets	50,731	48,692
iotal non-current assets	50,731	40,032
Current assets		
Trade receivables	1,496	1,559
Other receivables	589	750
Prepayments and accrued income	131	167
Cash and cash equivalents	8,114	6,771
Total current assets	10,330	9,247
Total assets	61,061	57,939
Equity and liabilities Equity note 4	36,422	26,062
Non-current ligbilities		
	21.595	_
Borrowing note 5	21,595 104	-
Borrowing note 5 Deferred tax liabilities	104	
Non-current liabilities Borrowing note 5 Deferred tax liabilities Lease liabilities Total non-current liabilities and provisions		- - 213 213
Borrowing note 5 Deferred tax liabilities Lease liabilities	104	213
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Borrowing note 5 Deferred tax liabilities Lease liabilities	104 62 21,761 - 336 387 68 1,077	213



Consolidated Statement of Changes in Equity

		Other paid-in		Retained earnings, incl. year's	
Amounts in kEUR	Share capital	capital	Reserves	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		-	13	4,933	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
Opening equity, 1 Jul 2020	1,913	12,349	2,698	10,644	27,604
Share-based payments	-	10	-	-	10
Comprehensive income for the period	-	-	-17	327	310
Closing equity, 30 Sep 2020	1,913	12,359	2,681	10,971	27,924
Opening equity, 1 Oct 2020	1,913	12,359	2,681	10,971	27,924
New issue of own shares	893	7,931	-	-	8,824
New issue of own shares as payment for acquisitions	77	821			898
Issue expenses	-	-511	-	-	-511
Share-based payments	-	-10	-	-	-10
Comprehensive income for the period	-	-	-18	-685	-703
Closing equity, 31 Dec 2020	2,883	20,590	2,663	10,286	36,422



Consolidated Cash Flow Statement

Amounts in kEUR	01/10/2020 31/12/2020	01/10/2019 31/12/2019	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Operating activities				
Profit before tax	-595	702	1,532	5,314
Adjustments for non-cash items not included in operating activities				
Depreciation and amortisation of assets	186	152	1,155	727
Exchange gains/losses on financial receivables and liabilities	1,074	602	729	-708
Costs for share-based programmes	-11	7	-53	21
Gain/loss on sale of other assets	-4	6	-41	-99
Impairment of financial assets	-	-	-	331
Provisions for restructuring	16	-	219	-
Interest and similar expenses	626	764	2,660	2,999
Interest and similar income	-	-306	-584	-306
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-283	-156	177	272
Increase (+)/Decrease (-) in operating liabilities	-51	-6	-29	-394
Cash flow from operating activities	958	1,765	5,765	8,157
Investing activities				
Acquisition of shares in Group companies	-2	-	-2	-
Acquisition of property, plant and equipment	-3	-	-26	-49
Acquisition of intangible assets	-1,046	-223	-2,586	-2,502
Sale of other assets	57	38	320	358
Cash flow from investing activities	-994	-185	-2,294	-2,193
Financing activities				
Proceeds from issue of own shares	8,850	-	8,850	-
Issue expenses	-501	-	-1,616	-
Received and repaid option proceeds	-	-	-17	-23
Repayment of borrowings	-2,018	-5,959	-7,352	-5,959
Interest paid	-433	-603	-1,850	-2,583
Repayment of lease liabilities	-	-	-99	-129
Cash flow from financing activities	5,898	-6,562	-2,084	-8,694
Cash flow for period	5,862	-4,982	1,387	-,2,730
Cash & cash equivalents at beginning of period	2,110	11,707	6,771	10,094
Exchange differences	101	85	-108	-30
Reclassification from cash & cash equivalents to other current financial assets	41	-39	64	-563
Cash & cash equivalents at end of period	8,114	6,771	8,114	6,771



Income Statement – Parent Company

Amounts in kEUR	01/10/2020 31/12/2020	01/10/2019 31/12/2019	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Revenue	16	387	352	532
Total revenue	16	387	352	532
Operating expenses				
Other external expenses	-201	-136	-564	-445
Personnel expenses	-7	-143	-403	-417
Other operating expenses	-11	-	-24	-
Other operating income		1	1	4
EBITDA	-203	109	-638	-326
Depreciation/amortisation	-	-	-	-11
Operating profit/loss	-203	109	-638	-337
Profit/loss from financial items				
Profit/loss from investments in Group companies	-	2,100	5,000	7,800
Other interest and similar income	10	343	617	376
Interest and similar expenses	-618	-759	-2,627	-2,976
Other financial items	-1,071	-595	-714	718
Profit/loss after financial items	-1,882	1,198	1,638	5,581
Tax on profit for the period	-	-	-	-
Profit/loss for the period	-1,882	1,198	1,638	5,581

Balance Sheet – Parent Company

Amounts in kEUR	2020-12-31	2019-12-31
Assets		
Total non-current assets	33,898	31,581
Total current assets	7,686	6,640
Total assets	41,584	38,221
Equity and liabilities		
Equity	18,505	7,726
Total non-current liabilities	21,595	-
Total current liabilities	1,484	30,495
Total equity and liabilities	41,584	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 section of the report https://www.acroud.com/arsredovisning2019

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 223 million (EUR 21,595 thousand based on 31 December 2020 closing rate). 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 2020, 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 2020 or 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.

Organic revenue growth - bridge Q4 2020

	31/12/2020	31/12/2020	31/12/2019	Deviation
Amounts in kEUR	Growth, %	Absolute figures	Absolute figures	Absolute figures
Total growth, EUR	-24.0%	2,497	3,285	-788
Adjustment acquired and divested/discontinued operations	0.0%	=	=	-
Total growth in EUR, excl. acquisitions and discontinued operations	-24.0%	2,497	3,285	-788
Adjustment for constant currency	0.3%	-	-13	13
Total organic sales growth	-23.7%	2,497	3,272	-775

01/10/2020

01/10/2020

01/10/2019



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YEAR-END REPORT 2020

Organic revenue growth - bridge Q4 2019

Total organic sales growth	-30.8%	3,275	4,735	-1,460
Adjustment for constant currency	-0.4%	-	32	-32
Total growth in EUR, excl. acquisitions and discontinued operations	-30.4%	3,275	4,703	-1,428
Adjustment acquired and divested/discontinued operations	-0.1%	-10	-9	-1
Total growth, EUR	-30.3%	3,285	4,712	-1,427
Amounts in kEUR	01/10/2019 31/12/2019 Growth, %	01/10/2019 31/12/2019 Absolute figures	01/10/2018 31/12/2018 Absolute figures	Deviation Absolute figures

3. Revenue

The Group's revenue for Q4 2020 and the financial year ended 31 December 2020 was distributed as follows:

Amounts in kEUR	01/10/2020 31/12/2020	01/10/2019 31/12/2019	01/01/2020 31/12/2020	01/01/2019 31/12/2019
Revenue by vertical				
Casino	1,599	2,408	8,234	11,433
Poker	644	468	2,428	1,936
Sports Betting	206	369	750	682
Other verticals	48	40	218	251
Total revenue	2,497	3,285	11,630	14,302

Revenue attributable to Sweden in Q4 2020 amounted to 2% (3%). The corresponding amount for the full year 2020 was 2% (2%).



4. Share-based payments

During Q2 2020, 300,000 employee share options expired and 250,000 warrants were repurchased. 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 employees in the Company's subsidiaries (Employee Share Option Programme). Under the programme, a maximum of 2,500,000 employee share options would be issued and 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 would receive a maximum of 750,000 employee share options, three (3) members of executive management would each receive a maximum of 250,000 employee share options and ten (10) key employees would each receive a maximum of 100,000 employee share options. The Company's Board would decide on the allotment within the aforementioned limits.

Each share option would entitle 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 holders would be able to exercise the share options to acquire shares during the period 15 July 2023 to 15 August 2023. The vesting period for the employees would be 15 July 2020 to 15 August 2023.

However, as a result of restrictions due to the ongoing pandemic, allotment of the options could not be completed and no option agreements were entered into with the employees. As the intended participants have not been informed of their inclusion in the employee share option programme and the allotment of the number of options to each participant has not been determined, the conditions for the employee share option programme cannot be considered fulfilled. No grant date was ever established.

As stated in IFRS 2, the grant date may occur after the Company starts to recognise employee benefit expenses related to the programme. As the employees have not been aware of their inclusion in the employee share option programme and of all the significant terms and conditions of the programme, they cannot be considered to have started providing services under the employee share option programme.

Consequently, the employee share option programme costs of EUR 10 thousand that were recognised during Q3 have been reversed in Q4, as the criteria to start recognising costs from the programme have not been met.

The total recognised cost associated with the above share-based programme, which is settled with equity instruments, is therefore EUR -10 (7) thousand for Q4 2020. For the full year 2020, the earnings impact of the share-based payments is EUR +47 (-21) thousand. The cost also includes the cost of social security contributions.



5. Borrowing

Borrowing consists of a bond loan amounting to SEK 223 (308) million. In Q4 2019, bonds were repurchased on the market at a nominal amount of SEK 67 million. Further bonds were repurchased in Q1 2020 at a nominal amount of SEK 55 million and in Q2 at a nominal amount of SEK 3 million. Bond loan repayments of SEK 6.25 million and SEK 5.875 million were made in Q3 and Q4. During Q4, SEK 14,625 million of outstanding bonds were repurchased through the issue of 5,820,759 shares in a private placement in November 2020.

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

Market value	18,919	28,230
Carrying amount	21,595	29,276
Prepaid transaction costs	-663	-207
Nominal amount	22,258	29,483
Corporate bond		
Amounts in kEUR	31/12/2020	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 Con	npany
Amounts in kEUR	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net assets/Shares in subsidiaries pledged as collateral for bonds	49,596	49,956	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.

Results for 2020 were primarily affected by transformative non-recurring costs related to restructuring the Company and preparing it for future growth. Non-recurring costs include restructuring costs, costs related to the new strategic direction with a change of name to Acroud, acquisition costs and issue expenses. These non-recurring costs amount to EUR 699 thousand in total.

Results for 2020 also include an impairment loss of EUR 503 thousand on the PokerLoco brand and financial costs related to a consent fee of EUR 240 thousand in connection with the bond loan refinancing.

Results for 2020 also include non-recurring income in the form of compensation of EUR 409 thousand received by the Company in Q4 in connection with a dispute.

Q2 2020 was also affected by non-recurring costs related to restructuring and costs of EUR 559 thousand in connection with the change of name to Acroud (arose in Q2 2020). Results 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 bond loan refinancing (also attributable to Q2 2020).

Q3 2020 was positively affected by currency effects of EUR 165 thousand related to loan financing and certain cash proceeds denominated in SEK.

Q4 2020 was affected by non-recurring transformative costs of EUR 140 thousand in connection with the new strategic direction related to new share issues, acquisition processes and restructuring. Currency effects of EUR -1,048 thousand also had an adverse impact on Q4 results. However, this was offset by non-recurring income in the form of compensation of EUR 409 thousand received by the Company in connection with a dispute.

	01/10/2020 31/12/2020	01/10/2020 31/12/2020	01/10/2020 31/12/2020	01/10/2019 31/12/2019	01/10/2019 31/12/2019	01/10/2019 31/12/2019	01/01/2020 31/12/2020	01/01/2020 31/12/2020	01/01/2020 31/12/2020	01/01/2019 31/12/2019	01/01/2019 31/12/2019	01/01/2019 31/12/2019
Amounts in kEUR	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability									
Other external expenses	-1,085	111	-974	-688	0	-688	-3,908	478	-3,430	-2,864	0	-2,864
Personnel expenses	-854	29	-825	-805	0	-805	-3,689	221	-3,468	-3,719	0	-3,719
Other operating income	472	-409	63	-5	0	-5	510	-409	101	122	0	122
EBITDA	1,292	-269	1,023	1,914	0	1,914	5,492	290	5,782	8,357	0	8,357
Depreciation/amortisation	-187	0	-187	-152	0	-152	-1,155	503	-652	-727	0	-727
Operating profit (EBIT)	1,105	-269	836	1,762	0	1,762	4,337	793	5,130	7,630	0	7,630
Interest and similar income	0	0	0	306	0	306	584	0	584	306	0	306
Interest and similar expenses	-626	0	-626	-764	0	-764	-2,660	240	-2,420	-2,999	0	-2,999
Other financial items	-1,074	1,048	-26	-602	583	-19	-729	703	-26	708	-715	-7
Profit before tax	-595	779	184	702	583	1,285	1,532	1,736	3,268	5,314	-715	4,599
Profit/loss for the period	-685	779	94	610	583	1,193	1,256	1,736	2,992	4,934	-715	4,219



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9. Acquisitions: RIAE Media and Power Media Group assets

RIAE Media

The acquisition comprises about ten growth sites which, together with Acroud's existing Sports Betting sites, will form the backbone of the Company's Sports Betting vertical. Acroud paid EUR 1.6 million in combination of cash and Acroud shares for 51% of the assets and has secured a combination of call options (maturing at the end of 2023 or 2025) and put options (maturing at the end of 2025) for the remaining 49% of the assets. Acroud has therefore concluded that, in practice, it can already control 100% of the acquired assets.

The original purchase consideration was settled from existing reserves (about 40%) and through the issue of own shares (about 60%). The contingent consideration (EUR 635k on 31 December 2020), corresponding to the best estimate of the future and expected consideration to be paid no later than 5 years, will also be settled in cash (40%) and through a new issue of shares in Acroud AB (60%). The consideration share issue will have a dilution effect of about 4 percent of the number of shares and votes in the Company, based on the total number of shares after the consideration share issue.

The acquisition has been reported as an asset acquisition, i.e. in accordance with IAS 38 rather than IFRS 3. This means that the acquired assets in the form of domains, capitalised software development costs and customer databases have initially been recognised at cost of acquisition. Estimated useful lives for the acquired assets are as follows: domains (indefinite useful life), capitalised software development costs (5 years) and customer databases (3 months).

Power Media Group

On 20 January 2021, Acroud acquired 100% of the shares in Voonix ApS, Matching Visions Ltd and Traffic Grid for an initial purchase consideration of EUR 4.8 million, plus a potential additional consideration. The acquired companies are fast-growing and predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but are also an industry-leading SaaS service provider with Voonix. During 2020, the acquired operations generated revenue of EUR 9.6 million and EBITDA of EUR 0.9 million.

The initial consideration for 100 percent of the shares in the acquired operations on a cash and debt-free basis amounts to EUR 4.8 million and was paid on the acquisition date. EUR 2.4 million of the initial consideration was paid with 8,000,000 ordinary shares, based on the volume-weighted average share price ("VWAP") on Nasdaq First North Growth Market for the 20 consecutive trading days preceding the acquisition announcement, corresponding to SEK 2.99 per Acroud share (EUR 0.30 per share). The remaining EUR 2.4 million of the initial consideration was paid in cash.

The additional consideration that may be required is contingent on the future financial performance of Voonix ApS, Matching Visions Ltd and Traffic Grid Ltd. The contingent consideration, 50 percent of which will be settled in newly issued shares and the remainder in cash, is calculated on future EBT based on a multiple of 7.5 times EBT growth from the financial year 2020 and 2022. The price of the contingent consideration shares will correspond to the VWAP for the Acroud share on Nasdaq First North Growth Market for the 20 consecutive trading days preceding the date of issue of the contingent consideration shares. The maximum additional consideration payable is EUR 16 million.

50 percent of the shares that may potentially need to be issued in connection with the conditional consideration will be subject to a one-year lock-up and 50 percent to a two-year lock-up from the acquisition date.

The fair value of the acquired assets and liabilities and the contingent consideration had not been determined when the financial statements were authorised for issue. Measurement of the acquired assets and liabilities and contingent consideration is expected to be completed during Q1 2021.



10. Events after the end of the period

- Acroud acquired the assets of Power Media Group, consisting of Voonix, Matching Visions and Traffic Grid, in order to strengthen its strategic position in the market. The acquired companies are fast-growing and predominantly active in the European market with the affiliate network Matching Visions and the iGaming campaign broker Traffic Grid, but are also an industry-leading SaaS service provider with Voonix. During 2020, the target companies generated revenue of EUR 9.6 million and EBITDA of EUR 0.9 million.
- After the end of the period, the Company obtained a licence to operate in Pennsylvania, which is already
 a regulated State. At the same time, Michigan, where Acroud already has a licence, was regulated, which
 means that Acroud can run Sports Betting, Casino and Poker affiliate operations in both States.
- After the end of the period, the Company has convened an EGM in order to launch a broader share option programme for employees. The employee share option will cover 30 employees and will run for three years until March 2024. The EGM will be held on 1 March 2021.
- After the end of the period, the Company has signed another letter of intent for the acquisition of a European-based media company within Sports Betting ("the target company"). The target company is a fast-growing company that offers both a software-based "gaming tips" service and highly popular streaming channels within Sports Betting, Poker and Horse Racing. The target company has a clear strategic fit with Acroud, whereby we strengthen our software offering (SaaS), while adding some of the most popular media channels, YouTube and Twitch, to our offering. The target company generated annual sales of approximately EUR 1.4-1.5 million, based on the 9-month period Q3 20-Q1 21, with an EBITDA margin of about 60%, resulting in annual EBITDA of EUR 0.9-1.0 million. The agreement includes a total initial purchase consideration of approximately EUR 5.0 million on a cash and debt-free basis, and an additional consideration which is contingent on EBITDA in 2023. The acquisition is still conditional on a final board approval and that the parties enter into a final purchase agreement. The goal is for the transaction to be completed in the first half of 2021. The purchase price is planned to be settled 50% in cash and 50% in newly issued shares in the Company.



Key figures and definitions

Key figures, Group

	2020-10-01 2020-12-31	2019-10-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
EBITDA margin	52%	58%	47%	58%
Adjusted EBITDA margin	41%	58%	50%	58%
Operating margin	44%	54%	37%	53%
Organic growth	-24%	-31%	-18%	-25%
Equity ratio	60%	45%	60%	45%
Return on equity	-2%	2%	4%	21%
Equity per share (EUR)	0.32	0.34	0.32	0.34
Number of registered shares at end of period	113,950,153	75,604,487	113,950,153	75,604,487
Weighted average number of shares before dilution	90,609,313	75,604,487	79,386,525	75,604,487
Weighted average number of shares after dilution	90,609,313	75,604,487	79,386,525	75,604,487
Earnings per share (after dilution)	-0.008	0.008	0.016	0.065
Adjusted earnings per share (after dilution)	0.001	0.016	0.038	0.056
Market price per share at end of period (SEK)	3.02	4.01	3.02	4.01
EPS growth (%)	-194%	-60%	-76%	-39%

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 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.
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.

