



# **STRONG QUARTER**

# CHARACTERISED BY GROWTH AND ACQUISITIONS

# **FIRST QUARTER 2021**

- **Revenue** amounted to **EUR 5,579** (3,191) thousand, corresponding to a growth of 75% (-21%) and an organic growth of -10% (-22%).
- **EBITDA** amounted to **EUR 1,441** (1,742) thousand. Adjusted EBITDA (before items affecting comparability related to acquisitions and new share issues) was **EUR 1,575** (1,742) thousand.
- **Profit** after tax was **EUR 748** (2,759) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was **EUR 553** (1,440) thousand.
- Earnings per share after dilution amounted to EUR 0.006 (0.036). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR 0.005 (0.019).
- New Depositing Customers (NDC) amounted to 31,787 (9,622) increasing by 230% (-16%).
- Cash flow from operating activities excluding one-off tax payment relating to acquisitions amounted to EUR 388 (1,625) thousand.





# SIGNIFICANT EVENTS IN THE QUARTER

- In January, Acroud acquired the assets in Power Media Group (PMG), which includes Voonix, Matching Visions and Traffic Grid. PMG consists of three fast-growing companies which are mainly active in the European market with the affiliate network Matching Visions and marketing campaign broker Traffic Grid, but also includes an industry-leading SaaS service provider with Voonix. In 2020 PMG generated revenues amounting to EUR 9.6million and an EBITDA amounting to EUR 0.9million. PMG pursues a different business model with high entry-barriers and have diversified revenue streams where Matching Visions acts as a "hub" in the Affiliation industry where several thousand smaller affiliate sites are connected with operators. Matching Visions operates with a margin of around 10-15% and is, with its network, a vital part in the media ecosystem which Acroud has created.
- In January, the Company obtained a license to operate in Pennsylvania, which is already a regulated State. At the same time, Michigan, where Acroud already has a license, was regulated, which means that Acroud can run Sports Betting, Casino and Poker affiliate operations in both states.
- In February 2021, a new organizational structure was introduced, with two operational segments: the iGaming Affiliation segment and the... As a Service segment (SaaS and BaaS solutions). In the iGaming Affiliation segment, news and comparison sites are operated. In the... As a Service segment, we offer software and service solutions in the media and affiliation industry, so-called Software as a Service (SaaS) and Business as a Service (BaaS)

- offerings. In connection with the introduction of the new organization, a new and strengthened management team was formed consisting of seven people.
- In February, Acroud gave an update on US Strategy. Acroud will continue on the track with focus on the US market evaluating different growth initiatives to find the right balance between organic growth, partnerships with Media Houses and executing possible strategic acquisitions. As part of the evaluation Acroud decided to withdraw from the process of a potential acquisition where a Letter of Intent ("LOI") was announced on 3 November 2020. The rationale behind the withdrawal was a combination of higher transaction risk than anticipated and increased momentum of our current assets.
- In February, the Company signed another letter of intent for the acquisition of TheGamblingCabin (TGC), which is a fast-growing company that offers both a softwarebased "gaming tips" service and highly popular streaming channels within Sports Betting, Poker and Horse Racing. TGC 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 acquisition was finalized in April 2021.
- In March, an Extraordinary General Meeting was held which decided on an employee stock option program. The employee share option program covers key personnel and will run for three years until March 2024. The Extraordinary General Meeting was held on 1 March 2021.





# SIGNIFICANT EVENTS AFTER THE QUARTER

- After the end of the period, TGC was acquired for a purchase price of approximately SEK 47 million, on a cash and debt-free basis. The purchase price was paid in cash and with newly issued shares in Acroud. The transaction was based on Acroud's signed letter of intent published in a press release on 17 February 2021. TGC generated annual sales of approximately EUR 1.4 million, based on the 9-month period Q320-Q121, with an EBITDA margin of approximately 65 percent resulting in annual EBITDA of approximately EUR 0.9 million.
- In April, Jonas Strömberg from Erik Selin Aktiehandel AB and Maria Grimaldi Andersson were proposed to be elected as new board members of Acroud during the Annual General Meeting on 20 May 2021. At the same time, Fredrik Rüden and Jonas Bertilsson renounced re-election.

Key Figures	JAN-MAR			JAN-DEC		LTM		
EUR thousands	2021	2020	Y/Y%	2020	2019	Y/Y%	Mar-21	Y/Y%
Revenue	5 579	3 191	75%	11 630	14 302	-19%	14 016	4%
Revenue Growth, %	75%	-21%	96%p	-19%	-23%	4%p	4%	31%p
Organic Growth, %	-10%	-21%	11%p	-18%	-25%	7%p	-16%	11%p
EBITDA	1 441	1 742	-17%	5 492	8 356	-34%	5 193	-31%
EBITDA margin, %	26%	55%	-29%p	47%	58%	-11%p	37%	-19%p
Adjusted EBITDA	1 575	1 742	-10%	5 782	8 356	-31%	5 617	-26%
Adjusted EBITDA margin, %	28%	55%	-26%p	50%	58%	-9%p	40%	-16%p
Profit after tax	748	2 759	-73%	1 256	4 934	-75%	( 754)	-113%
Earnings per share (after dilution)	0.006	0.036	-83%	0.016	0.065	-76%	-0.008	-111%
Adjusted Profit after tax	553	1 440	-62%	2 992	4 219	-29%	2 104	-49%
Adjusted Earnings per share (after dilution)	0.005	0.019	-76%	0.038	0.056	-32%	0.023	-58%
Net Debts / Adjusted EBITDA rolling 12 months)	2.9	2.7	7%	2.6	2.8	-9%	2.9	7%
New Depositing Customers (NDCs)	31 787	9 622	230%	36 275	44 088	-18%	58 440	38%

pp = procentenheter



#### **CEO COMMENT**

# The Ride continues!

It has been a very eventful quarter during which we have executed the communicated strategy with increased focus on growth, which is seen in increasing NDCs (New Depositing Customers) development. This is one of the most important key figures and the development has been very strong, to a large extent as a result of acquisitions made and the synergies they entail. We have developed Acroud from being a traditional "comparison site" affiliate company to owning a strong "ecosystem" in the media and affiliation industry. We are taking big steps forward in high speed through an innovative and forward-leaning approach. We connect People, Content Creators (Bloggers, Youtubers, Affiliates, etc.) and activities within the ecosystem.

In short time we have developed Acroud from primarily operating traditional comparison and news sites within iGaming to also run land-based live events, SaaS solutions, BaaS solutions and high quality media content such as Streaming, Twitch and Youtube. All of these mentioned components or "circles" meet in Acroud and it is so "where the magic happens" in the media ecosystem.

### A strong and progressive quarter

When I took over as CEO I expected that it would take around 12 months before we would harvest the initial fruits of the extensive change management work. Therefore it is extra gratifying to see the results for the first quarter confirming this:

- NDC development is strong and increasing sequentially in both the iGaming Affiliation and As a Service segments, to 31,787 NDCs, largely driven by acquisitions, compared to 11,262 NDCs during the fourth quarter of 2020
- REVENUES increase sequentially by 123% to EUR 5,579, where revenues from the iGaming Affiliation segment also show growth of 13%
- ADJUSTED EBITDA increasing 54% quarter on quarter reaching 1,575 kEUR compared to 1,023 kEUR previous quarter

Through the change management work, the original iGaming Affiliation segment now shows growth sequentially, excluding acquisitions. Our comparative figures compared to the first quarter last year have been affected by the adjustment made in the Dutch market in July last year, which mainly explains the negative organic growth in iGaming Affiliation on an annual basis. According to Dutch authorities, the market is expected to reopen in October 2021.

### What is "The Media House of the Future"?

For Acroud, it is a mantra and means a lot. First of all, it's an attitude. "Future" means being pro-active, adaptable and to be in the forefront. "Media house" means that we build an ecosystem consisting of several different components that together complement each other with clear synergies. As an example, during March 2021 we generated +1,000 NDCs through streaming, which has not been generated in previous quarters in the business. By getting the various components to work together, we create diversification, high-qualitative content and high entry barriers.

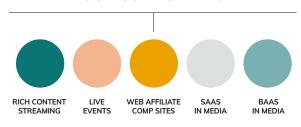
Step by step, we are moving from being a pure player with traditional comparison sites to a product mix comprising more complex solutions with high entry barriers and high-quality content.



#### MEDIA HOUSE OF THE FUTURE



#### **OUR COMPONENTS**



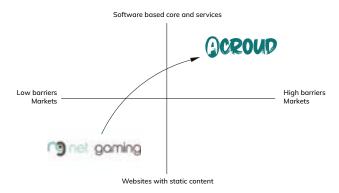


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Through the acquisition of Power Media Group, Acroud took a big leap into the SaaS industry and has now also become a SaaS company (Software as a Service). In line with our vision to create a better way for "Content Creators" to monetize from their work, we now offer two different software solutions. 1) Voonix, which is an industry-leading data collection tool in the affiliation industry, and 2) Affhut, which simplifies for users to build and create their own networks of "Content Creators".

The acquisition of TheGamblingCabin (TGC) in April was another important milestone on the road to create the "Media House of the Future". TGC is a fast-growing player in streaming and software solutions for the media and affiliation industry. TGCs' "reduction tool" is an industry-leading software and the company's digital presence is impressive and can be launched internationally. This and the other acquisitions we have made recently transform and strengthen Acroud at the same time as we position ourselves as a SaaS supplier on the strategic map.



### Acroud's three growth pillars

Following the acquisitions, a new company have been formed which consists of two operational segments: iGaming Affiliation (news and comparison websites) and ...As a Service (SaaS- and BaaS solutions). Our expansion strategy for the two segments is based on 3 growth pillars which are iGaming Affiliation, BaaS and SaaS solutions.

The iGaming Affiliation is our underlying affiliate business containing the traditional verticals; Poker, Sports Betting and Casino.

Acroud delivers high quality content and uses search engine optimisation to rank high in keywords and thereby drive traffic in the media industry.

The second pillar, "Software as a Service" (SaaS) solutions, has been described above, while the third pillar "Business as a Service" (BaaS) is a service offering that primarily includes Matching Visions. Matching Visions provides "Content Creators" (Bloggers, Youtubers, Affiliates, etc.) access to a large client base, unique software, tools and business terms, which would otherwise be out of their reach. Thousands of smaller iGaming affiliate sites around the world come together, via Matching Visions, to provide traffic and new players to online gaming operators.

### Focus on "Operational Excellence"

After the integration of the acquired businesses, the focus is on 'Operational Excellence' and on developing the new Acroud together with our new team. In February a new management team was formed with experienced leaders from the industry who see the synergies within our group and have a way of working which is fast, entrepreneurial and professional. We are constantly improving and building a strong organization adapted to growth.

In addition, after two years of work, all sites have now migrated to one and the same platform, which means efficient and scalable roll-out of sites. Preparations for the opening and regulation of the German and Dutch markets this year are in full swing and the last pieces of the puzzle will fall into place during the second quarter so that we are ready to capitalize on our iGaming assets.

### Our way to create shareholder value

I always aim to engage the best talent, make best use of resources and find our own unique position in the value chain within the industry. This in turn will maximize shareholder value. This is exactly what we are doing with Acroud moving on the strategic map and creating a unique media company with powerful SaaS solutions, unique focus on Poker and high-quality content including a large network of streamers. We like to see opportunities where others have not yet understood the full potential.

At the same time as others rush to the US, we continue our focus on organic growth step by step where our US assets are showing momentum. We focus on the areas where we have "low-hanging fruit" to pick to create value for shareholders.

In addition, we continue to create unique content and unique revenue streams by "owning poker again" via TheGamblingCabin and The Festival Series which is a land-based and competitive Sports Betting, Casino and Poker event at several different destinations in Europe. We are also expanding the streaming networks within Matching Visions as well as broadening our SaaS solutions through Voonix expansion. Pictures, mobile media and film are becoming important in our daily lives and also for search engine optimization, which is the foundation for building awareness regarding Acroud websites and brands. Thus, "User Generated Content" norm today - let's do it through a strong offering in social media.

We will continue to pursue an opportunistic acquisition strategy where we evaluate new potential acquisitions, primarily focusing on SaaS solutions and Sports Betting, but we will not be as aggressive as the second half of 2020 and the first half of 2021. Priority will be on organic growth in our base portfolio, integration of completed acquisitions, while we will step by step reduce net indebtedness over time.

In summary, the pieces of the Acroud puzzle are starting to fall into place to build "The Media House of the Future" and we are prepared for solid growth. You can expect that we will continue to keep a high pace, invest smart and create value for shareholders.

So...

Join The Ride

Robert Andersson Malta, 20 May 2021



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Page

# The Group's Development QUARTER JAN-MAR 2021

#### Revenue

Revenue for the first quarter increased by 75% to EUR 5,579 (3,191) thousand. Revenues for the new ...As a Service segment amounted to EUR 2,765 (-) thousand while revenues for the iGaming Affiliation segment amounted to EUR 2,814 (3,191) thousand.

The revenue level within the iGaming Affiliation segment for Q1 2021 compared with corresponding period last year has been negatively affected as the Company adjusted the product offering to ensure compatibility with the rules in the Dutch market, which will re-open again in October 2021. Revenues for the iGaming Affiliation has sequentially increased from Q4 2020 by 13% from EUR 2,497 thousand to EUR 2,814 thousand.

New Depositing Customers (NDC) showed strong growth reaching 31,787 NDCs in the first quarter compared with 9,622 generated in the corresponding period the previous year. The NDC development is driven partly by the new ...As a Service segment, but NDC levels within the iGaming Affiliation is also growing driven by Sports Betting and Poker. We see continued high NDC numbers in April and expect growth going forward as the underlying KPIs on our sites show positive trends.

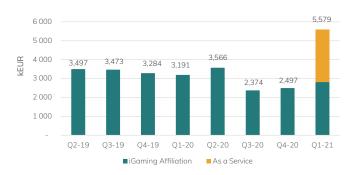
We can see that the revenue diversification work is bearing fruit and the risk profile of the business is improving simultaneously as the company shows revenue growth.

Through the acquisition of Power Media Group we can offer SaaS and BaaS solutions via our ...As a Service segment, which has a different product offering with stable revenue streams via brands such as Matching Visions, Voonix and Affhut.

Revenues for the new ...As a Service segment amounted to approximately 49% of group revenues in the first quarter where BaaS solutions amounted to EUR 2 574 thousand and the high margin subscriber based SaaS solutions amounted to EUR 191 thousand.

Our underlying core business iGaming Affiliation, where we operate news and comparison websites within Sports Betting, Poker and Casino shows revenue growth and improved revenue diversification sequentially from last quarter. The revenue share ratio of total revenue iGaming affiliation has decreased to 45-50% in Q1 2021, mainly due to accelerated growth in Other revenues (e.g. Flat fees and banner fees) and in Poker vertical which is traditionally CPA based. The transition to the right balance between revenue share, CPA and Other revenue deals strengthens our growth over time and gives the Company long-term stability. The revenue diversification has also improved on vertical level where Poker is growing and comprising 29% (18%) of iGaming Affiliation revenues. Sports Betting is also growing as Sports Events are opening up again, in connection with COVID-19 restrictions, comprising 13% (8%) of iGaming Affiliation revenues. We expect Sports Betting to grow onwards via the acquisition of TheGamblingCabin in April 2021 and the launch of various growth initiatives in connection with the Eurocup.

# Group Revenue Development



# **Group NDC Development**



# Group Adjusted EBITDA Development



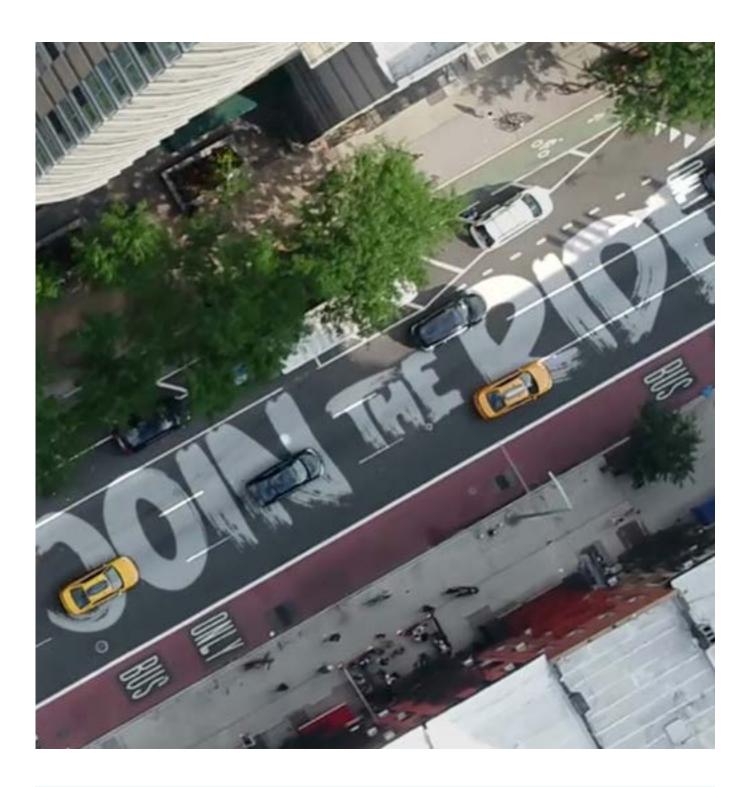


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In 2020, a Key Account Team has been appointed, including a Chief Commercial Officer. This has resulted in the implementation of new revenue streams and we enable synergies in connection with the acquisitions by optimizing deals and up-selling as we have significant higher NDC generation. Revenue from flat fees, banner fees etc., accounted for just over 12% of Q1 2021 group revenues, compared with 1% for the same period the previous year.

The North American market remains attractive to us, mainly for the iGaming Affiliation segment, 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. We are seeing an increasing traffic flow in North America, primarily in Poker, and North American revenue for Q1 2021 increased compared with the same period the previous year.





#### Costs

Operating expenses for Q1 2021 increased compared to last year mainly related to the addition of the cost base in the acquired Power Media Group (...As a Service segment). The ...As a Service segment has a different business model than the core business iGaming Affiliation, and is operating with an EBITDA margin of around 10%, meaning higher cost base than the iGaming Affiliation segment. The operating expenses excluding ...As a Service segment and items affecting comparability have increased from Q1 2020 and increased slightly sequentially from Q4 2020, primarily in marketing costs.

Q1 personnel expenses, excluding items affecting comparability and As a Service segment (Power Media Group), decreased at EUR 669 (742) thousand compared with Q1 2020. Personnel expenses were also stable sequentially, and are expected to increased coming quarters as the number of employees is increasing through various growth initiatives.

Other external expenses in Q1 2021 increased both compared with Q1 2020 and sequentially, driven by high activity in the transformative work and various growth and mainly marketing initiatives. Other external expenses in Q1 2021 were negatively affected by items affecting comparability of just over EUR 134 thousand related to acquisitions. We have a strong focus on continuing cost control in order to run operations with a high margin.

### **EBITDA**

Operating profit before depreciation (EBITDA) on group level amounted to EUR 1,441 (1,742) thousand. The reduced EBITDA level is primarily related to the revenue decline described on page 8, which meant that the EBITDA margin decreased within the iGaming Affiliation segment to 53% compared with 63% in Q1 2020. The iGaming Affiliation segment's EBITDA in Q1 2021 amounted to EUR 1 480 thousand, compared to EUR 1 614 thousand in Q4 2020 and EUR 1 999 thousand in Q1 2020.

The iGaming affiliation segment is operating with an EBITDA margin of approximately 45-55% where Q1 2021 reached 53%. The ...As a Service segment is showing an EBITDA generation in Q1 2021 amounting to EUR 300 thousand compared to EUR 240 thousand in Q4 2020 and EUR 179 thousand in Q1 2020. The ... As a Service segment is operating with an EBITDA margin of approximately 10-15% where Q1 2021 reached 11%.

# Depreciation/amortisation and net financial items

The Company's depreciation during Q1 2021 amounted to EUR 354 (151) thousand and has increased from Q4 2020, primarily due to the acquisition of Power Media Group .

Acroud's net financial items for Q1 2021 amounted to EUR -265 thousand, compared with EUR 1 251  $\,$ 

thousand for the same period the previous year. Interest expenses are primarily related to loan financing.

Net financial items in Q1 2021 were positively affected by currency effects of EUR 329 (1 319) thousand related to loan financing and cash proceeds, which were denominated in SEK.

# **Earnings**

Profit after tax declined to EUR 748 (2 759) thousand and the period's earnings per share after dilution amounted to EUR 0.006 (0.036). Profit after tax, adjusted for currency effects related to the bond loan, amounted to EUR 553 (1 440) thousand and the period's earnings per share after dilution amounted to EUR 0.005 (0.019).

The Group continues to operate with an effective tax rate of approximately 9%.





# **iGaming Affiliation**

#### Revenue

Revenue for the first quarter decreased by 12% to EUR 2,814 (3,191) thousand. The revenue level within the iGaming Affiliation segment for Q1 2021 compared with corresponding period last year has been negatively affected by the fact that the Company has adjusted the product offering to ensure compatibility with the rules in the Dutch market, which will re-open again in October 2021. Revenues for the iGaming Affiliation has sequentially increased from Q4 2020 by 13% from EUR 2,497 thousand to EUR 2,814 thousand.

New Depositing Customers (NDC) showed strong growth reaching 18,001 NDCs in the first quarter compared with 9,622 the corresponding period the previous year. NDC levels within the iGaming Affiliation is growing driven by Sports Betting and Poker. We see continued high NDC numbers in April and expect growth going forward as the underlying KPIs on our sites show positive trends.

The revenue share ratio of total revenue iGaming affiliation has decreased to 45-50% in Q1 2021, mainly due to accelerated growth in Other revenues (e.g. Flat fees and banner fees) and in Poker vertical which is traditionally CPA based. The transition to the right balance between revenue share, CPA and Other revenue deals strengthens our growth over time and gives the Company long-term stability. The revenue diversification has also improved on vertical level where Poker is growing and comprising 29% (18%) of iGaming Affiliation revenues. Sports Betting is also growing as Sports Events are opening up again, in connection with COVID-19 restrictions, comprising 13% (8%) of iGaming Affiliation revenues. We expect Sports Betting to grow onwards via the acquisition of TheGamblingCabin in April 2021 and the launch of various growth initiatives in connection with the Eurocup.

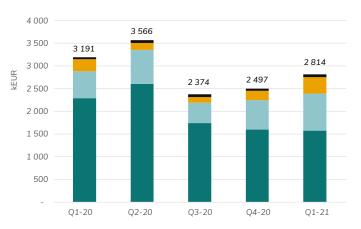
85% of iGaming Affiliation revenue in Q1 2021 was generated from the Casino and Poker verticals. The two verticals are the foundation of the revenue base and the Poker vertical in particular has increased in relation to total revenue, with one of the main drivers being Pokerlistings.com.

Acroud currently has limited exposure to Sports Betting, with 13% of the Company's total revenue being generated from the vertical in Q1 2021.

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.

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 2020, we also saw a sharp increase in traffic flow, which slowed down to some extent in Q3 2020, only to increase again at the end of Q4 2020 and Q1 2021.

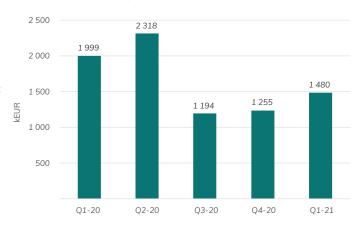
# Revenue Development iGaming Affiliation Segment



# NDCs Development iGaming Affiliation Segment



# Adjusted EBITDA Development iGaming Affiliation Segment





We are seeing an increasing traffic flow in North America, primarily in Poker, and North American revenue for Q1 2021 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 last quarters. During the quarter, we also obtained further licenses to operate in Pennsylvania, Illinois, Tennessee, and Virginia at the same time as Michigan has opened.



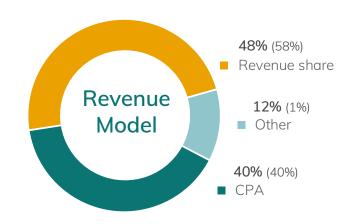
The operating expenses for the iGaming Affiliation segment have increased slightly from Q1 2020 and sequentially from Q4 2020, primarily in marketing costs.

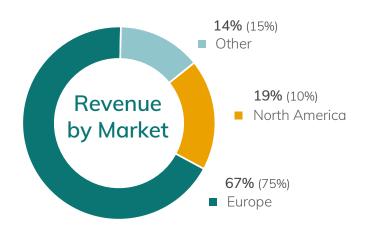
Q1 personnel expenses, excluding items affecting comparability, decreased at EUR 669 (742) thousand compared with Q1 2020. Personnel expenses were also stable sequentially, and is expected to increased coming quarters as the number of employees is increasing through various growth initiatives.

Other external expenses in Q1 2021 increased both compared with Q1 2020 and sequentially, driven by high activity in the transformative work and various growth initiatives. We have a strong focus on continuing cost control in order to run operations with a high margin.

#### **EBITDA**

The iGaming Affiliation segment is showing an EBITDA generation in Q1 2021 amounting to EUR 1 480 thousand compared to EUR 1 614 thousand in Q4 2020 and EUR 1 999 thousand in Q1 2020. The iGaming affiliation segment is operating with an EBITDA margin of approximately 45-55% where Q1 2021 reached 53%.









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# ...As a Service

#### Revenue

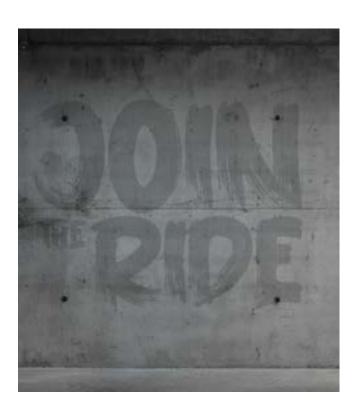
Through the acquisition of Power Media Group we can offer SaaS and BaaS solutions via our ... As a Service segment, which has a different product offering with stable revenue streams via brands such as Matching Visions, Voonix and Affhut.

Revenues for the new ...As a Service segment amounted to EUR 2,765 (-) thousand in the first quarter where BaaS solutions amounted to EUR 2 574 thousand and the high margin subscriber based SaaS solutions amounted to EUR 191 thousand.

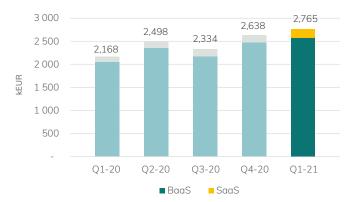
New Depositing Customers (NDC) showed strong growth reaching 13,786 NDCs in the first quarter compared with 12,732 the corresponding period the previous year. The NDC development is driven partly by new initiatives within the BaaS business where Matching Visions has launched several close cooperation with large Content Creators (Twitchers and Youtubers).

The revenue development within BaaS solutions is satisfactory and several growth initiative are ongoing to launch Matching Visions products in other regions. The revenue level within SaaS solutions is driven by the software solutions Voonix and Affhut.

The number of RGUs (Revenue Generating Units) in ...As a Service in the first quarter amounted to 527 (476) and is increasing quarter by quarter. The SaaS solutions are scalable high margin products which are sold on license basis. There are several ongoing initiatives to develop and launch SaaS solutions to new verticals and in different formats.



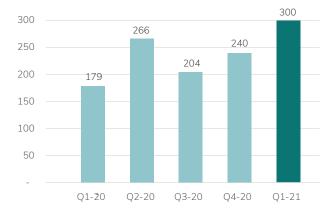
# Revenue Development ... As a Service Segment



# NDCs Development ...As a Service Segment



# Adjusted EBITDA Development ... As a Service Segment





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# ...As a Service

#### **Costs**

The ...As a Service segment has a different business model than the core business iGaming Affiliation, and is operating with an EBITDA margin around 10%, meaning higher cost base than the iGaming Affiliation segment.

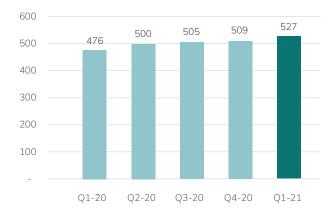
Q1 personnel expenses, excluding items affecting comparability, were relatively stable at EUR 231 (223) thousand compared with Q1 2020. Personnel expenses are expected to increased coming quarters as the number of employees is increasing through various growth initiatives.

Other external expenses in Q1 2021 increased both compared with Q1 2020 and sequentially, driven by new growth initiatives including the launch of cooperation with large Content Creators (Twitchers and Youtubers). We have a strong focus on continuing cost control in order to run operations with a high margin

#### **EBITDA**

The ...As a Service segment is showing an improved EBITDA generation in Q1 2021 amounting to EUR 300 thousand compared to EUR 240 thousand in Q4 2020 and EUR 179 thousand in Q1 2020. The ...As a Service segment is operating with an EBITDA margin of approximately 10-15% where Q1 2021 reached 11%.

# RGUs Development ... As a Service







# **Financial position**

# Cash flow and investments

Cash flow from operating activities during the first quarter of 2021 amounted to EUR 388 thousand, of which EUR 377 thousand was used to pay income tax. During the first quarter of 2020, cash flow from operating activities amounted to EUR 1,625 thousand and no tax was paid. The decrease is mainly related to a one-time payment of tax and a temporary effect on working capital related to acquisitions (due to an increase in accounts receivable).

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 -1 680 thousand in Q1 2021, compared with EUR -214 thousand in Q1 2020. The increase during the quarter is attributable to the part- settlement of the purchase consideration in cash amounting to EUR 1 433 thousand for the acquisition of PMG Group in January 2021. Other investments (acquisition of intangible assets) in Q1 2021 were mainly related to website development for expansion into the North American and European markets.

Cash flow from financing activities amounted to EUR -984 (-5,027) thousand in Q1, which consisted primarily of bond interest payments of EUR -402 thousand (which decreased from -521 thousand in Q1 2020) and bond repayments of EUR -577 (-4 461) thousand.

# **Liquidity and financial position**

The Group's interest-bearing net debt at the end of the period was EUR 16,461 thousand, compared with EUR 20,726 thousand at the end of Q1 2020. Acroud's current gross debt amounts to SEK 223.8 million, of which the bond amounts to SEK 217.4 million (excluding the bond repurchases of SEK 157.7 million in Q4 2019, 2020 and 2021). Converted using the closing rate, the bond loan amounts to EUR 20 696 thousand.

At 31 March 2021, the net debt/adjusted EBITDA ratio is 2.9x. 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.









# **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
Jan-Mar 2021	-83%	-10%	2.9
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 March 2021 amounted to EUR 3,085 thousand divided into 121,950,153 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 Mach 2021 was 2,296.

A new broader employee share option program has been implemented during March 2021. See note 4 for detailed information.

# Shareholder structure

The total number of shares in the Company on 31 March 2021 was 121,950,153, distributed as shown below.

Name	No. of shares	Ownership, %
Trottholmen AB	57,390,981	47.06%
Strategic Investment A/S (JPM Chase)	18,558,956	15.22%
Power Media Group A/S	8,000,000	6.56%
Försäkringsbolaget Avanza Pension	5,683,108	4.66%
RIAE MEDIA	3,257,485	2.67%
Byggnadsaktiebolaget Westnia	3,104,407	2.55%
ES Aktiehandel AB	1,700,000	1.39%
Clearstream Banking S.A.	1,507,000	1.24%
Trading House Scandinavia	1,176,400	0.96%
Bank Julius Baer & Co Ltd	1,111,111	0.91%
Robert Andersson.	1,066,500	0.87%
Adrian Nelje	970,000	0.80%
Henric Stenholm	784,300	0.64%
Euroclear Bank S.A.	784,300	0.64%
Nordnet Pensionsförsäkring AB	727,535	0.60%
Other shareholders	16,128,070	13.23%
TOTAL	121,950,153	100.00%



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### **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 2021, the Parent Company received dividends from subsidiaries amounting to EUR 0.5 (1.0) million.

#### Relevant risks and uncertainties

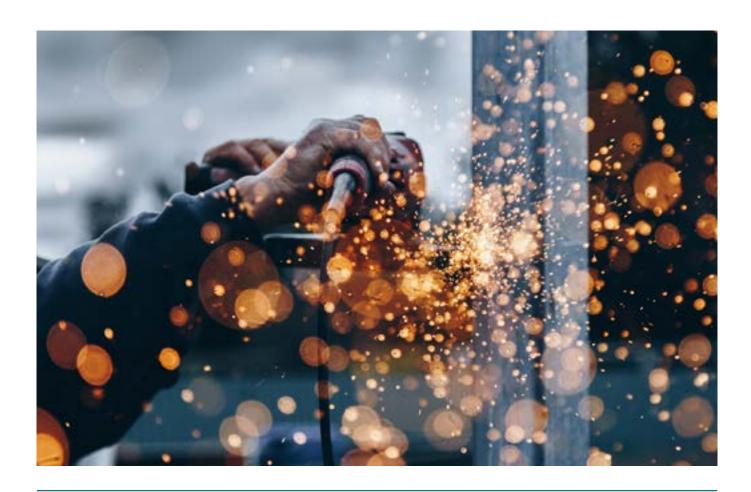
Acroud is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. Financial risks are related to factors such as exchange rates, interest rates, liquidity and credit. Risk management within the Acroud Group is aimed at identifying, 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 46, 64-65 and 102- 103 of the 2020 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, 20 May 2021

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

#### **BOARD AND CEO**

Henrik KvickJonas BertilssonPeter ÅströmChairmanDirectorDirector

Fredrik RüdénKim MikkelsenRobert AnderssonDirectorDirectorPresident and CEO

#### For further information, please contact

Robert Andersson, President and CEO Gustav Vadenbring, CFO
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#### Forthcoming report dates

Interim report April-June 2021: 12 August 2021 Interim report July-September 2021: 11 November 2021 2021 AGM: 20 May 2021

Presentation for investors, analysts and media

#### Presentation for investors, analysts and media

A live webcast will be held on 20 May 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-q1-2021

#### To join the conference call, ring:

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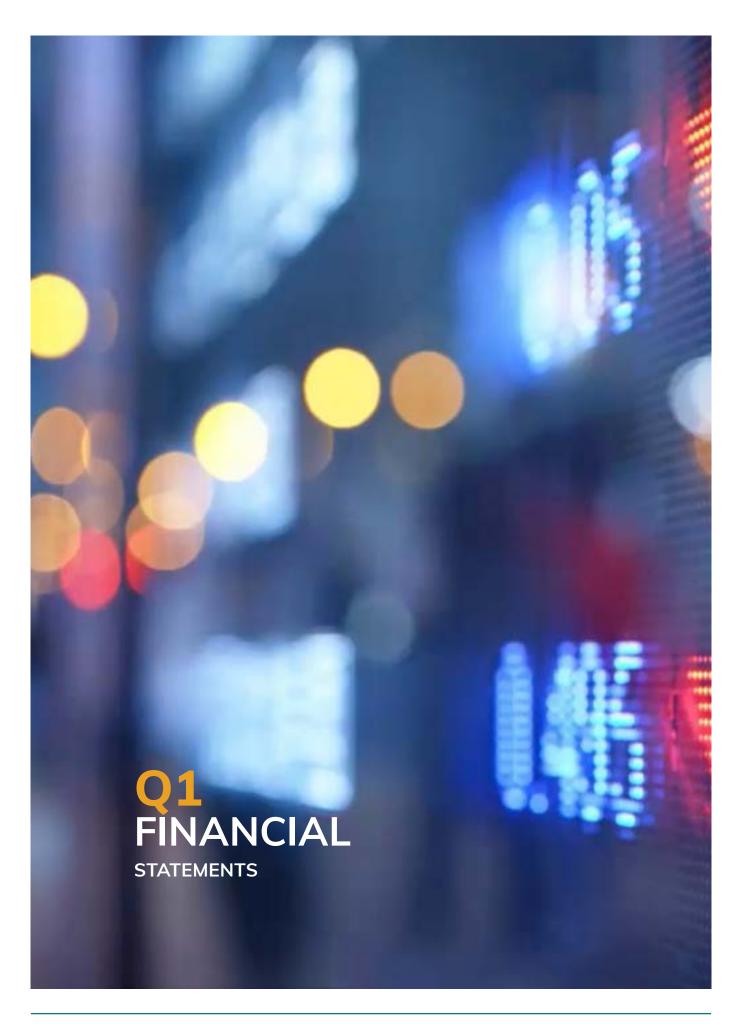
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The appointed Certified Adviser is FNCA Sweden AB, info@fnca.se, +46 8 528 00 399.



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# **Consolidated Statement of Comprehensive Income**

Amounts in kEUR	01/01/2021 31/03/2021	01/01/2020 31/03/2020	01/01/2020 31/12/2020
Revenue notes 2, 3	5 579	3 191	11 630
Total revenue	5 579	3 191	11 630
Capitalised work for own account	212	204	1 031
Other external expenses	(3 451)	(726)	(3 908)
Personnel expenses	(1 027)	(923)	(3 689)
Other operating income	128	-	510
Other operating expenses	-	(4)	(82)
EBITDA	1 441	1 742	5 492
Depreciation/amortisation	(354)	(151)	(1 155)
Operating profit (EBIT)	1 087	1 591	4 337
Profit/loss from financial items			
Interest and similar income	-	567	584
Interest and similar expenses	(606)	(652)	(2 660)
Other financial items	341	1 336	(729)
Profit/loss from financial items	(265)	1 251	(2 805)
Profit before tax	822	2 842	1 532
Tax on profit for the period	(74)	(83)	(276)
Profit for the period	748	2 759	1 256
Earnings per share (EUR)	0.006	0.036	0.016
Earnings per share after dilution (EUR)	0.006	0.036	0.016
Other comprehensive income, income and expenses recognised directly in equity			
Exchange differences on translation of foreign operations	18	6	(36)
Other comprehensive income for the period	18	6	(36)
Total comprehensive income for the period	766	2 765	1 220



# **Consolidated Statement of Financial Position**

Amounts in kEUR	31/03/2021	31/03/2020	31/12/2020
Assets Non-current assets			
	47.222	12.956	42.956
Goodwill Other integrible assets	47 222 12 544	42 856 5 117	42 856 7 392
Other intangible assets	176	328	214
Right-of-use assets			
Property, plant and equipment	130 103	183 114	143 106
Other non-current receivables			
Deferred tax assets	35	80	20
Total non-current assets	60 210	48 678	50 731
Current assets			
Trade receivables	2 571	1 731	1 496
Other receivables	1 930	716	589
Tax receivable	145	-	-
Prepayments and accrued income	431	171	131
Cash and cash equivalents	5 404	2 886	8 114
Total current assets	10 481	5 504	10 330
Total assets	70 691	54 182	61 061
Istal assets	70 031	34 202	
Equity and liabilities			
Equity note 4	39 594	28 802	36 422
Non-current liabilities			
Borrowing note 5	20 696	_	21 595
Liabilities to Parent Company	383	_	387
Deferred tax liabilities	431	_	104
Other liabilities	6 456	_	635
Lease liabilities	_	177	62
Total non-current liabilities and provisions	27 966	177	22 783
Current liabilities		22 768	
Borrowing note 5	-		-
Trade payables	598	247	336
Liabilities to Parent Company	-	340	-
Tax liabilities	120	1 152	68
Other liabilities	517	1 153	442
Lease liabilities	177	152	151
Accruals and deferred income	1719	543	859
Total current liabilities	3 131	25 203	1 856
Total equity and liabilities	70 691	54 182	61 061



# **Consolidated Statement of Changes in Equity**

Amounts in kEUR	Share capital	Other paid-in capital	Reserves	Retained earnings, incl. year's earnings	Total equity
Opening equity, 1 Jan 2020	1 913	12 420	2 700	9 029	26 062
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	-	(71)	-	-	(71)
Comprehensive income for the period	-	-	(36)	1 256	1 220
Closing equity, 31 Dec 2020	2 883	20 590	2 664	10 285	36 422
Opening equity, 1 Jan 2021	2 883	20 590	2 664	10 285	36 422
Issue of ordinary shares as a consideration for acquisitions	202	2 198	-	-	2 400
Share issue costs	-	(5)	-	-	(5)
Share-based payments	-	11	-	-	11
Comprehensive income for the period	-	-	18	748	766
Closing equity, 31 Mar 2021	3 085	22 794	2 682	11 033	39 594



# **Consolidated Cash Flow Statement**

Amounts in kEUR	01/01/2021 31/03/2021	01/01/2020 31/03/2020	01/01/2020 31/12/2020
Operating activities			
Profit before tax	822	2 842	1 532
Adjustments for non-cash items not included in operating activities			
Depreciation and amortisation of assets	354	151	1 155
Exchange gains/losses on financial receivables and liabilities	(341)	(1 336)	729
Costs for share-based programmes	11	(25)	(53)
(Gain)/loss on sale of other assets	(109)	-	(41)
Provisions for restructuring	90	-	219
Interest and similar expenses	606	652	2 660
Interest and similar income	-	(567)	(584)
Tax paid	(377)	-	-
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables	(988)	(176)	177
Increase (+)/Decrease (-) in operating liabilities	(57)	84	(29)
Cash flow from operating activities	11	1 625	5 765
Investing activities			
Acquisition of shares in Group companies, net of cash acquired	(1 433)	-	(2)
Acquisition of property, plant and equipment	(2)	(8)	(26)
Acquisition of intangible assets	(639)	(209)	(2 586)
Sale of other assets	394	3	320
Cash flow from investing activities	(1 680)	(214)	(2 294)
Financing activities			
Proceeds from issue of own shares	-	-	8 850
Issue expenses	(5)	-	(1 616)
Received and repaid option proceeds	-	-	(17)
Repayment of borrowings	(577)	(4 461)	(7 352)
Interest paid	(402)	(521)	(1 850)
Repayment of lease liabilities	=	(45)	(99)
Cash flow from financing activities	(984)	(5 027)	(2 084)
Cash flow for period	(2 653)	(3 616)	1 387
Cash & cash equivalents at beginning of period	8 114	6,771	6 771
Exchange differences	(100)	(304)	(108)
Reclassification from cash & cash equivalents to other current financial assets	43	35	64
Cash & cash equivalents at end of period	5 404	2 886	8 114



# **Income Statement – Parent Company**

Amounts in kEUR	01/01/2021 31/03/2021	01/01/2020 31/03/2020	01/01/2020 31/12/2020
Revenue	16	139	352
Total Revenue	16	139	352
Operating expenses			
Other external expenses	(246)	(94)	(564)
Personnel expenses	(8)	(142)	(403)
Other operating expenses	-	-	(24)
Other operating income	5	9	1
EBITDA	(233)	(88)	(638)
Depreciation/amortisation	-	-	-
Operating profit/(loss)	(233)	(88)	(638)
Profit/loss from financial items			
Profit/loss from investments in Group companies	500	1 000	5 000
Other interest and similar income	-	577	617
Interest and similar expenses	(590)	(644)	(2 627)
Other financial items	339	1 346	(714)
Profit after financial items	16	2 191	1 638
Tax on profit for the period	-	-	-
Profit for the period	16	2 191	1 638

# **Balance Sheet – Parent Company**

Amounts in kEUR	31/03/2021	31/03/2020	31/12/2020
Assets			
Total non-current assets	44 689	31 581	33 898
Total current assets	4 226	2 248	7 686
Total assets	48 915	33 829	41 584
Equity and liabilities			
Equity	20 926	9 892	18 504
Total non-current liabilities	27 535	-	22 617
Total current liabilities	454	23 937	463
Total equity and liabilities	48 915	33 829	41 584



# Notes to the Group's interim report

# 1. Accounting policies

This interim report has been prepared in accordance with IAS 34. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS. For detailed information about the Group's accounting policies, see the notes section of the Company's Annual Report 2020 (particularly pages 76-80).

#### Fair value of financial instruments

When determining the fair value of an asset or liability, the Group uses observable data as far as possible in accordance with IFRS 13. Fair value measurement is based on the fair value hierarchy, which categorises inputs into different levels. For further detailed information, refer to page 79 of the 2020 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 217 million (EUR 21 237 thousand based on 31 March 2021 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 March 2021, 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 2021 or 2020.

# 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.

01/01/2021

01/01/2021

01/01/2020

### Organic revenue growth - bridge 01 2021

- bridge Q1 2021	31/03/2021	31/03/2021	31/03/2020	Deviation
Amounts in kEUR	Growth, %	Absolute Figures	Absolute Figures	Absolute Figures
Total Growth, EUR	74.9%	5 579	3 191	2 388
Adjustment for acquired and divested/discontinued operations	(86.7%)	(2 765)	-	(2 765)
Total Growth in EUR, excluding acquired and divested/discontinued operations	(11.8%)	2 814	3 191	( 377)
Adjustment for constant currency	2.1%	-	(74)	74
Total organic revenue growth	(9.7%)	2 814	3 117	( 303)
Organic revenue growth				
- bridge Q1 2020	01/01/2020	01/01/2020	01/01/2019	
Amounts in kEUR	31/03/2020 Growth, %	31/03/2020 Absolute Figures	31/03/2019 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	(21.3%)	3 191	4 053	( 862)
Adjustment for acquired and divested/discontinued operations	0.0%	-	-	-
Total Growth in EUR, excluding acquired and divested/discontinued operations	(21.3%)	3 191	4 053	( 862)
Adjustment for constant currency	(0.9%)	-	49	( 49)
Total organic revenue growth	(22.2%)	3 191	4 102	( 911)



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# 3. Revenue

The Group's revenue for Q1 2021 and the financial year ended 31 December 2020 was distributed as follows:

Amounts in kEUR	01/01/2021 31/03/2021	01/01/2020 31/03/2020	01/01/2020 31/12/2020
Revenue by vertical within iGaming Affiliate Segment			
Casino	1 573	2 291	8 234
Poker	816	588	2 428
Sports Betting	359	263	750
Other affiliation verticals	66	49	218
Total revenue in iGaming Affiliate Segment	2 814	3 191	11 630
Revenue by vertical withinAs a Service Segment			
BaaS (Business as a Service)	2 574	-	-
SaaS (Software as a Service)	191	-	-
Total revenue inAs a Service Segment	2 765	-	-
Total Group revenue	5 579	3 191	11 630

Revenue attributable to Sweden in Q1 2021 amounted to 1% (2%). The corresponding amount for the full year 2020 was 2%.

# 4. Share-based payments

Following a resolution during an Extraordinary General Meeting on 1 March 2021, an employee stock option program has been established for key personnel, management and senior executives in the Company and its subsidiaries. A total of 5,600,000 employee stock options have been issued to senior executives (six people), management (eight people) and other key persons employed by the Company and its subsidiaries (approximately 14 persons). The employee stock options were issued free of charge. Each employee stock option entails a right to acquire one (1) new share in the Company during the period from 15 March 2024 to 12 April 2024.

The fair value on the grant date was calculated using the Black-Scholes valuation model. This method takes into account subscription price, share price on the grant date, term of the warrant, expected share price volatility, expected dividend yield and risk-free interest over the term of the warrant. The applied data in the Black-Scholes method was:

Subscription price:	SEK 3.25, corresponding to 120% of Acroud's volume-weighted average price for a share in the company according to Nasdaq First North Premier Growth Market official price list during the period from on February 22, 2021 to March 5, 2021.
Grant date:	19 March 2021
Expiration date:	12 April 2024
Share price on the grant date:	SEK 2.70
Expected volatility in the Company's share price:	45%
Expected dividend yield:	No dividends are expected to be paid during the time up to the program's expiration date.
Risk-free interest rate:	-0.19%

The total recognised cost associated with the above share-based programme, which is settled with equity instruments, is EUR 11 thousand for Q1 2021.



# 5. Borrowing

Borrowing consists of a bond loan amounting to SEK 217 (253) million. In Q4 2019, bonds were repurchased on the market at a nominal amount of SEK 67 million. Bond loan repayments of SEK 55 million, SEK 3 million, SEK 6.25 million and SEK 5.875 million were made in Q1, Q2, Q3 and Q4 of 2020. During Q4 2020, SEK 14,625 million of outstanding bonds were repurchased through the issue of 5,820,759 shares in a private placement in November 2020. During Q1 2021 further bonds were repurchased on the market at a nominal amount of SEK 5.875 million.

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

Amounts in kEUR	31/03/2021	31/03/2020	31/12/2020
Corporate bond			
Nominal amount	21 237	22 872	22 258
Prepaid transaction costs	(541)	(104)	(663)
Carrying amount	20 696	22 768	21 595
Market value	19 852	18 412	18 919

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 28 of the 2020 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.

	Gro	Group		Company
Amounts in kEUR	31/03/2021	31/12/2020	31/03/2021	31/12/2020
Net assets/Shares in subsidiaries pledged as collateral for bonds	49 577	49 596	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 of 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 and adverse currency effects of EUR -703 thousand attributable to Financing activities.

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.

Q1 2021 was affected by non-recurring transformative costs of EUR 134 thousand in connection with acquisition processes and restructuring. Such costs were set-off by currency effects of EUR 329 thousand which had a positive impact on Q1 results.

	01/01/2021 - 31/03/2021		01/01/2020 - 31/03/2020			01/01/2020 - 31/12/2020			
Amounts in kEUR	Reported income statement	ltems affecting comparability	Adjusted for items affecting comparability	Reported income statement	ltems affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability
Other external expenses	(3 451)	134	(3 317)	(726)	-	(726)	(3 908)	478	(3 430)
Personnel expenses	(1 027)	-	(1 027)	(923)	-	(923)	(3 689)	221	(3 468)
Other operating income	128	-	128	-	-	-	510	(409)	101
EBITDA	1 441	134	1 575	1 742	-	1 742	5 492	290	5 782
Depreciation/amortisation and impairment	(354)	-	(354)	(151)	-	(151)	(1 155)	503	(652)
Operating profit (EBIT)	1 087	134	1 221	1 591	-	1 591	4 337	793	5 130
Interest and similar income	-	-	-	567	-	567	584	-	584
Interest and similar expenses	(606)	-	(606)	(652)	-	(652)	(2 660)	240	(2 420)
Other financial items	341	(329)	12	1 336	(1 319)	17	(729)	703	(26)
Net profit before tax	822	(195)	627	2 842	(1 319)	1 523	1 532	1 736	3 268
Net profit	748	(195)	553	2 759	(1 319)	1 440	1 256	1 736	2 992



# 9. Acquisitions: Power Media Group and TheGamblingCabin

### **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.

Details of the fair value of the acquired assets and liabilities and the contingent consideration are disclosed below:

Purchase consideration	On acquisition EUR'000 000
Cash settlement (gross of cash and debt items)	2.7
Share issue and allotment	2.4
Contingent consideration, discounted at present value	5.7
Total purchase consideration	10.9
Trademarks	(1.7)
Developed technology	(1.3)
Customer relationships	(2.3)
Deferred tax liability	0.4
Net assets on subsidiaries' on-balance-sheet	(0.7)
Goodwill	5.3

The valuation techniques used for measuring the fair value of the assets acquired on a provisional basis is as follows:

Assets acquired	Valuation Methodology
Trademarks	Relief-from-Royalty
Developed technology	Relief-from-Royalty
Customer relationships	Multi-period Excess Earnings

The fair value of the acquired assets and contingent consideration has been measured provisionally. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, the accounting for the acquisition will be revised accordingly in line with IFRS 3.



### **TheGamblingCabin**

On 15 April 2021, Acroud acquired 100% of the shares in Swedishsantas AB, also known as TheGamblingCabin ("TheGamblingCabin") on a cash- and debt- free basis, for an initial purchase consideration of approximately SEK 47.3 million, plus a potential additional consideration. TheGamblingCabin is a fast-growing company offering a software-based tipster service as well as very popular video content within Sports Betting, Poker and Horse Racing. TheGamblingCabin has a clear "strategic fit" with Acroud strengthening the software offerings (SaaS) as well as adding some of the most popular ways of consuming media, YouTube and Twitch, to Acroud's offering. TheGamblingCabin generated annualized sales of app EUR 1.4 million based on the 9 month period Q220-Q121 with an EBITDA margin of approximately 65 percent reaching an EBITDA of EUR 0.9 million.

The initial consideration for 100 percent of the shares in Swedishsantas AB, on a cash- and debt- free basis, amounted to approximately SEK 47.3 million and was paid on closing date. Approximately SEK 23.6 million, of the Upfront Consideration were paid with 7,709,202 Acroud shares (the "Consideration Shares"), at a subscription price of SEK 3.07 per Acroud share (corresponding to EUR 0.30 per share). 50 percent of the Consideration Shares will be subject to a one year lock-up and 50 percent are subject to a two year lock-up from today's date. Approximately SEK 23.6 million of the Upfront Consideration were paid in cash.

An additional consideration can be paid based on a multiple of 5 times the EBITDA generated during the period from 1 April 2022 up to and including 31 March 2023 reduced with an annualized EBITDA based on the Q220-Q121 (the "Earn-Out Consideration"). The Earn-Out Consideration is paid with 50 percent in newly issued shares in Acroud and the remainder in cash (the "Earn-Out Consideration Shares"). The price for the Earn-Out Consideration Shares will correspond to the average price of the Acroud share on Nasdaq First North Growth Market for the 30 consecutive calendar days preceding 1 April 2023 (which corresponds to the end of the period when the mentioned targets are measured). The Earn-Out Consideration amounts to a maximum of approximately SEK 82 million.

The fair value of the acquired assets and liabilities and the contingent consideration had not been determined when the financial report was authorised for issue. Measurement of the acquired assets and liabilities and contingent consideration is expected to be completed during Q2 2021.

# 10. Segment reporting

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

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

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

The Chief Executive Officer primarily uses a measure of adjusted earnings before interest, tax, depreciation, and amortisation (EBITDA) to assess the performance of the operating segments. However, they also receive information about the segment's revenue and assets on a monthly basis. Interest and similar income and expenses and other financial assets are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. There were no intersegmental revenues during the year.

The amounts provided to the Chief Executive Officer with respect to total assets are measured in a manner consistent with that of the financial statements. Segment assets consist primarily of Goodwill, Other intangibles assets, Right-of-use Assets, Property, plant and equipment, other non-current receivables, trade and other receivables and cash and cash equivalents. Income taxes is not considered to be a segment asset but is managed by the treasury function.

The amounts provided to the Chief Executive Officer with respect to total liabilities are measured in a manner consistent with that of the financial statements. Segment liabilities consist primarily of trade and other payables and lease liabilities. The Group's Income taxes and interest-bearing liabilities are not considered to be segment liabilities but are managed by the treasury function.



Certain assets and liabilities relating to the parent entity of the Group, Acroud AB, are deemed to be managed by the group treasury function and are therefore classified under the unallocated category. Information to prepare segment reporting on a geographical basis is not available and the costs to develop such information in time for inclusion in the report is deemed excessive. The Group does not have any major customer, as it largely derives revenue from a significant number of iGaming operators.

Amounts in kEUR		Jan - M	ar 2021		Jan - Mar 2020				Jan - Dec 2020			
	iGaming Affiliation	As a Service	Unallocated	Total	iGaming Affiliation	As a Service	Unallocated	Total	iGaming Affiliation	As a Service	Unallocated	Total
Revenue	2 814	2 765	-	5 579	3 191	-	-	3 191	11 630	-	-	11 630
Other external expenses	(982)	(2 253)	(216)	(3 451)	(640)	-	(86)	(726)	(3 391)	-	(517)	(3 908)
Personnel expenses	(669)	(231)	(127)	(1 027)	(742)	-	(181)	(923)	(3 050)	-	(639)	(3 689)
Other operating income / (costs)	317	19	4	340	190	=	10	200	1 484	=	(25)	1 459
EBITDA	1 480	300	(339)	1441	1 999	-	(257)	1 742	6 673	-	(1 181)	5 492
Depreciation/Amortisation	(217)	(137)	=	(354)	(151)	Ξ	-	(151)	(1 155)	Ē	-	(1 155)
EBIT	1263	163	(339)	1 087	1 848	-	(257)	1 591	5 518	-	(1 181)	4 337
Interest and similar income	-	-	-	-	-	-	567	567	-	-	584	584
Interest and similar expenses	-	-	(606)	(606)	-	-	(652)	(652)	-	-	(2 660)	(2 660)
Other financial assets	-	-	341	341	-	-	1 336	1 336	-	-	( 729)	( 729)
Profit/loss from financial items	1263	163	(604)	822	1 848	-	994	2 842	5 518	-	(3 986)	1 532
Tax on profit for the year	=	=	(74)	(74)	-	Ξ	(83)	(83)	-	=	( 276)	( 276)
Profit for the year	1263	163	(678)	748	1 848	-	911	2 759	5 518	-	(4 262)	1 256
Material non-cash items												
Net foreign exchange gain/(loss)	2	-	339	341	(9)	-	1345	1 336	(15)	-	(714)	(729)
Segment Assets	54 152	12 519	-	66 671	51 881	-	-	51 881	53 406	-	-	53 406
Unallocated Assets	-	-	4 020	4 020	-	-	2 301	2 301	-	-	7 655	7 655
Total assets	54 152	12 519	4 020	70 691	51 881	-	2 301	54 182	53 406	-	7 655	61 061
								-				-
Segment Liabilities	(2 169)	(7 049)	-	(9 218)	(2 050)	-		(2 050)	(2 022)	-		(2 022)
Unallocated Liabilities	-	-	(21 879)	(21 879)	-	-	(23 330)	(23 330)	-	-	(22 617)	(22 617)
Total Liabilities	(2 169)	(7 049)	(21 879)	(31 097)	(2 050)	-	(23 330)	(25 380)	(2 022)	-	(22 617)	(24 639)

# 11. Events after the end of the period

After the end of the period, TGC was acquired for a purchase price of approximately SEK 47 million, on a cash and debt-free basis. The purchase price was paid in cash and with newly issued shares in Acroud. The transaction was based on Acroud's signed letter of intent published in a press release on 17 February 2021. TGC generated annual sales of approximately EUR 1.4 million, based on the 9-month period Q320–Q121, with an EBITDA margin of approximately 65 percent resulting in annual EBITDA of approximately EUR 0.9 million.

In April, Jonas Strömberg from Erik Selin Aktiehandel AB and Maria Grimaldi Andersson were proposed to be elected as new board members of Acroud during the Annual General Meeting on 20 May 2021. At the same time, Fredrik Rüden and Jonas Bertilsson renounced re-election.



# **Key figures and definitions**

# **Key figures, Group**

	01/01/2021 31/03/2021	01/01/2020 31/03/2020	01/01/2020 31/12/2020
EBITDA margin	26%	55%	47%
Adjusted EBITDA margin	28%	55%	50%
Operating margin	19%	50%	37%
Revenue Growth	75%	(21%)	(19%)
Organic growth	-10%	(22%)	(18%)
Equity ratio	56%	53%	60%
Return on equity	2%	10%	4%
Equity per share (EUR)	0.32	0.38	0.32
Number of registered shares at end of period	121,950,153	75,604,487	113,950,153
Weighted average number of shares before dilution	120,172,375	75,604,487	79,386,525
Weighted average number of shares after dilution	120,172,375	75,604,487	79,386,5255
Earnings per share (after dilution)	0.006	0.036	0.016
Adjusted earnings per share (after dilution)	0.005	0.019	0.038
Market price per share at end of period (SEK)	3.17	2.55	3.02
EPS growth (%)	-83%	+40%	-76%

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).

	player that herous teres to its partitlers (assume realiting operator).
EBITDA margin	EBITDA in relation to revenue.
Equity per share	Equity divided by the number of shares outstanding.
Geographical distribution of revenue	Revenue per geographic market is distributed based on a combination of revenue generated by operators and the original IP addresses of leads sent to operators.
iGaming Affiliation Segment	Financial information relating to the iGaming affiliate business, which is made up of three major verticals: Casino, Poker and Betting.
As a Service Segment	Financial information relating to theAs a Service business line, which is made up of two major verticals: BaaS and SaaSAs a Service financial information relating to periods before acquisition date is based on proforma figures.
Adjusted EBITDA	Reported EBITDA, adjusted for non-recurring items in the form of restructuring costs and 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.
Revenue Generating Units (RGUs)	The number of active entities which Acroud provide services to via theAs a Service segment. In BaaS vertical, RGUs represent the number of active affiliate companies forming part of Acroud's BaaS network during the reporting period. In SaaS vertical, RGUs represent the number of active clients to whom subscriptions were sold during the reporting period.
Organic revenue growth	Revenue from affiliate operations compared with the previous period, excluding acquisitions and divestments in accordance with IFRS 3 (last 12 months) and exchange rate movements.
Earnings per share	Profit/loss after tax divided by the average number of shares.
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.



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