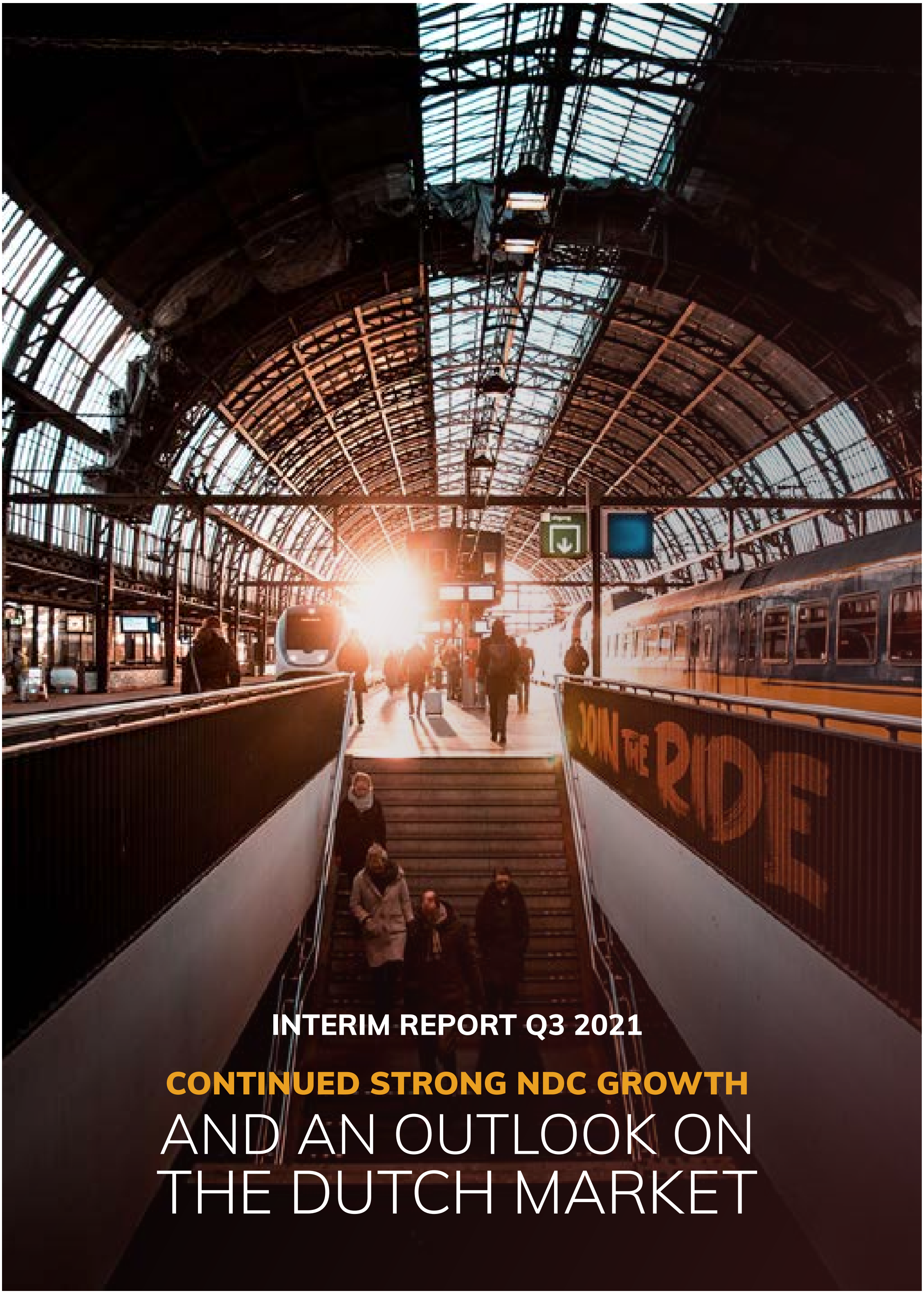
INTERIM REPORT Q3 2021

JOIN ACROUD THE RIDE

A Challenger on a Quest

From August (Q221 Report) report Acroud has changed reporting and company language to English.
This means that onwards press releases will only be communicated in English. Interim Reports and the correlated press releases will be issued in both English and Swedish, however the English version will supersede the Swedish version.



INTERIM REPORT Q3 2021

CONTINUED STRONG NDC GROWTH AND AN OUTLOOK ON THE DUTCH MARKET

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AND AN OUTLOOK ON THE DUTCH MARKET

THIRD QUARTER 2021

- **Revenue** amounted to **EUR 6 448** (2 376) thousand, corresponding to a growth of **172%** (-32%) and an organic growth of +0.3% (-30.2%).
- **EBITDA** amounted to **EUR 1 258** (961) thousand.
- **Profit** after tax was **EUR 593** (327) thousand. **Adjusted profit** after tax (before currency effects) was **EUR 482** (162) thousand.
- **Earnings per share** after dilution amounted to **EUR 0.005** (0.004). **Adjusted earnings per share** (before currency effects) was **EUR 0.004** (0.002).
- **New Depositing Customers** (NDC) amounted to **39 632** (5 312) increasing by **646%** (-57%).
- **Cash flow** from operating activities amounted to **EUR 664** (738) thousand. **Cash flow** from operating activities excluding one-off tax payment relating to acquisitions amounted to **EUR 1 230** (738) thousand.

PERIOD 1 JANUARY – 30 SEPTEMBER 2021

- **Revenue** amounted to **EUR 18 227** (9 133) thousand, corresponding to a growth of **100%** (-17%) and an organic growth of -13.2% (-16.7%).
- **EBITDA** amounted to **EUR 3 857** (4 199) thousand. **Adjusted EBITDA** (before items affecting comparability related to acquisitions, reorganization and new share issues) was **EUR 4 332** (4 758) thousand.
- **Profit** after tax was **EUR 1 073** (1 941) thousand. **Adjusted profit** after tax (before items affecting comparability and currency effects) was **EUR 1 326** (2 898) thousand.
- **Earnings per share** after dilution amounted to **EUR 0.009** (0.026). **Adjusted earnings per share** (before items affecting comparability and currency effects) was **EUR 0.011** (0.038).
- **New Depositing Customers** (NDC) amounted to **100 867** (25 013) increasing by **303%** (-24%).
- **Cash flow** from operating activities amounted to **EUR 2 641** (4 806) thousand. **Cash flow** from operating activities excluding one-off tax payment relating to acquisitions amounted to **EUR 3 592** (4 806) thousand.

IMPORTANT EVENTS IN THE QUARTER

- Acroud returns to the live events scene with the launch of the first edition of The Festival Series in Bratislava. By doing so, Acroud is strengthening its position as the bridge between land-based gaming and affiliation to create opportunities to connect operators with the player communities while also producing high-quality content to grow its digital flagship products, such as Pokerlistings.com. The inaugural week-long event has been a big success, with the Poker Main Event attracting 621 entries and relationships with various operators strengthened.

IMPORTANT EVENTS AFTER THE QUARTER

- Dutch market, being one of the larger European markets, has opened on 1 October 2021. 10 operators were granted a license, with more licenses expected to be issued in Q1 2022.
- Roderick Attard has been appointed as new CFO of Acroud. Roderick had previously the position as Head of Finance and has profound industry knowledge from the iGaming industry and a background as auditor at KPMG.

Key Figures	JUL-SEP			JAN-SEP			LTM	
EUR thousands	**2021**	**2020**	**Y/Y%**	**2021**	**2020**	**Y/Y%**	**Sep-21**	**Y/Y%**
Revenue	6 448	2 376	172%	18 227	9 133	100%	20 724	67%
Revenue Growth, %	172%	-32%	204pp	100%	-17%	117pp	67%	88pp
Organic Growth, %	0.3%	-30.2%	30pp	-13.2%	-16.7%	4pp	-16%	4pp
EBITDA	1 258	961	31%	3 857	4 199	-8%	5 149	-16%
EBITDA margin, %	20%	40%	-20pp	21%	46%	-25pp	25%	-24pp
Adjusted EBITDA	1 258	961	31%	4 332	4 758	-9%	5 355	-20%
Adjusted EBITDA margin, %	20%	40%	-21pp	24%	52%	-28pp	26%	-28pp
Profit after tax	593	327	81%	1 073	1 941	-45%	389	-85%
Earnings per share (after dilution)	0.005	0.004	6%	0.009	0.026	-67%	0.003	-90%
Adjusted Profit after tax	482	162	198%	1 326	2 898	-54%	1 420	-65%
Adjusted Earnings per share (after dilution	0.004	0.002	74%	0.011	0.038	-73%	0.012	-78%
Net Debts / Adjusted EBITDA rolling 12 months)	3.3	3.5	-7%	3.3	3.5	-7%	3.3	-7%
New Depositing Customers (NDCs)	39 632	5 312	646%	100 867	25 013	303%	112 129	212%

pp = percentage points

Strong QoQ NDC growth

I am happy to see that we continue to increase sales quarter on quarter reaching EUR 6 448k in the third quarter. Comparing the financial development year over year we increase sales from EUR 2 376k to EUR 6 448k and EBITDA from EUR 961k to EUR 1,258k, meaning a sales growth of 172% and EBITDA growth of 31%.

The New Depositing Customers numbers has shown a large quarter on quarter growth of 34% reaching almost 40,000, which clearly shows that we are on the right track. YoY the growth figures regarding NDCs are more than tenfold compared to last year. We have actively continued to invest in new growth initiatives for the future at the expense of short-term profitability with an EBITDA of EUR 1 258k, such as new SEO strategy and development of sites. It would be wrong to say that we are satisfied with the EBITDA level, however internally we are sure of our progress and underlying KPIs are showing strong trends which will bear fruit going forward. KPI's such as the NDC figure as well as traffic levels within the iGaming Affiliation Segment increased sequentially by almost 50% in Q3 through improved rankings and our leads flow is also showing positive trends with an increase by 80%.

Re-opening of Dutch market

One of Europe's larger markets has re-opened as of 1st October. The Dutch market has previously been an important market for Acroud with strong presence and local knowledge. During the summer 2020 we adapted our product offering to the new legal framework on the Dutch market which impacted our revenues negatively.

I believe what has caught people's attention is how big the market seems to be, considering the information released by many operators in conjunction with the regulation coming into force. For me this shows "the power of the Dutch market".

Robert Andersson, CEO

At first only 10 operators have been granted a license with the second and major batch of new operators estimated to be announced in the spring. The opening has been slower than expected, since there are so few license holders to begin with but the best way to describe the long term future is a "landgrab", which puts affiliates in a favourable position and Acroud in particular.

Core operations and US

We are getting closer to taking the big leap forward. A proof of this is that we have seen a break-through in early Q4 and our additional SEO efforts have started to make a difference. Most notable is that we have managed to take one of our relatively new sites to be our larger assets in terms of both traffic and NDC's. Our strategy is to work predominantly with hybrid- and revenue share deals, which is why it takes a while before the increases in NDC has a direct impact on our bottom-line.

We are currently replicating our new way of working on multiple sites, and we are already starting to see positive effects even if ramp up periods can be expected. Consequently, I am very positive to that we will see solid organic growth in our core affiliate business, where we operate with high margins, as well as restarting our growth in the US going forward during 2022.

Product and content strategy

The need to differentiate and strengthen the product offering is becoming clearer and clearer. The industry as such has historically been very bonus and offer-driven. We are now shifting to be more focused on rich content, product quality and genuine value creation. As part of this we are working tirelessly to add unique value to our products such as daily sports updates, live streams, betting tools as well as personalized experiences.

Another clear proof of this is the launch of The Festival Series. While being a physical event it is the bridge between land-based gaming and affiliation. The Festival Series drives our online presence significantly. The best way to describe it, is a massive on-line event over months which peaks in a week-long physical event. All qualifier events are on-line, our partners are on-line operators, and it creates very strong and unique content for our products such as Pokerlistings and The Gambling Cabin.

Continued focus on software-based affiliation

Looking at our SaaS segment and our focus on software-based affiliation we are seeing continued solid growth. Voonix and Matching Visions software have taken important steps in order to offer services in new verticals such as VPN services and E-sport streaming monetization. While some of our competitors have tried and failed, our business model and software opens-up completely new ways of earning money for already established e-sport streamers, and our initial business partnership are so far proving our idea right.

To sum up where we stand at the moment, I can conclude that we have put a very eventful quarter behind us, integration and operational wise. The fruit of the hard work has started to pay off reaching 40,000 NDCs in Q3, which means that the EBITDA impact will come over time. In addition, after closing the third quarter the Dutch market has re-opened, which we will consider to be one of our core markets going forward.

Altogether the future holds massive opportunities for us - so stay tuned!

Malta, 11 November 2021

Group Development

QUARTER JUL–SEP 2021

Revenue

Revenue for the third quarter increased by 172% to EUR 6 448 (2 376) thousand. Revenues for the new SaaS segment amounted to EUR 3 733 (-) thousand while revenues for the iGaming Affiliation segment amounted to EUR 2 715 (2 376) thousand.

New Depositing Customers (NDC) showed strong growth reaching 39 632 NDCs in the third quarter compared with 5 312 generated in the corresponding period the previous year. The NDC development is driven partly by the new SaaS segment, but NDC levels within the iGaming Affiliation are also growing driven by Sports Betting and Poker.

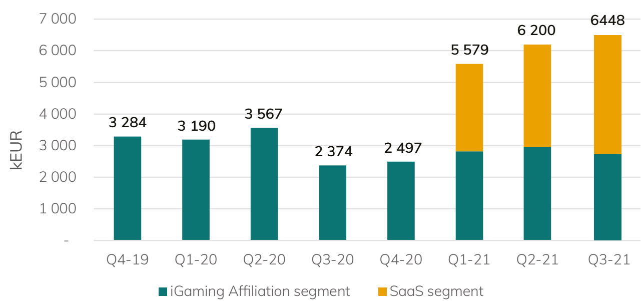
We can see that the revenue diversification work is bearing fruit and the risk profile of the business is improving simultaneously as the company is building a more robust revenue platform towards future growth.

Revenues for the SaaS segment amounted to approximately 58% of Group's revenues in the third quarter showing sequential growth through the launches of new streamer networks within Matching Visions.

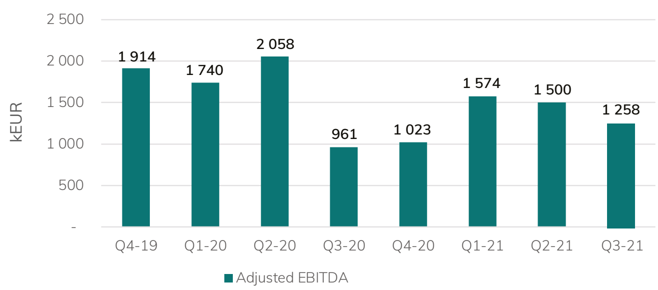
Our underlying core business iGaming Affiliation, where we operate news and comparison websites within Sports Betting, Poker and Casino shows revenue growth and improved revenue diversification compared to Q3 2020.

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 under 26% of Q3 2021 group revenues, compared with 12% for the same period the previous year.

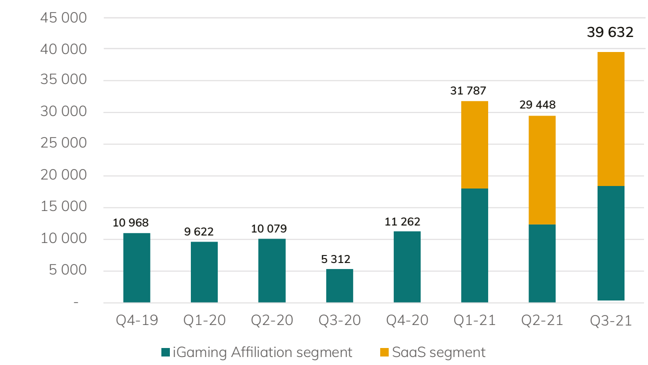
Revenue Development



EBITDA Development



NDC Development



Costs

Operating expenses for Q3 2021 increased compared to last year mainly related to the addition of the cost base in the acquired Power Media Group ("PMG") (SaaS segment) and The Gambling Cabin ("TGC"). The SaaS segment has a different business model than the core business iGaming Affiliation, and is operating with an EBITDA margin of around 7-10%, meaning higher cost base than the iGaming Affiliation segment. TGC on the other hand is operating with an EBITDA margin of around 55-60%. The operating expenses excluding SaaS segment, TGC and items affecting comparability have increased from Q3 2020 and (slightly) from Q2 2021.

Personnel expenses in Q3 2021, excluding items affecting comparability and SaaS segment, decreased to EUR 728 (842) thousand compared with Q3 2020. Personnel expenses decreased sequentially (Q2 2021: EUR852 thousand), as few areas in the organisation have been outsourced to enhance efficiencies.

Other external expenses in Q3 2021, excluding items affecting comparability and SaaS segment, increased both compared with Q3 2020 and sequentially, driven by TGC acquisition, transformative work enhancing efficiencies, and various growth initiatives. 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 1 258 (961) thousand.

Depreciation/amortisation and net financial items

The Company's depreciation during Q3 2021 amounted to EUR 520 (159) thousand and has increased from Q3 2020, primarily due to the acquisitions of PMG and TGC.

Acroud's net financial items for Q3 2021 amounted to EUR -522 thousand, compared with EUR -428 thousand for the same period the previous year. Interest expenses are primarily related to loan financing.

Net financial items in Q3 2021 were positively affected by currency effects of EUR 111 (165) thousand related to loan financing and cash proceeds, which were denominated in SEK.

Earnings

Profit after tax improved to EUR 593 (327) thousand and the period's earnings per share after dilution amounted to EUR 0.005 (0.004). Profit after tax, adjusted for currency effects related to the bond loan, amounted to EUR 482 (162) thousand and the period's earnings per share after dilution amounted to EUR 0.004 (0.002). The Group continues to operate with an effective tax rate of approximately 8-10%.

iGaming Affiliation

Revenue for the third quarter increased by 14% to EUR 2 715 (2 376) thousand. Revenue growth in Q3 2021 in Poker (by 54%) and Sports Betting (by 392%) has set off the decline in Casino revenues (-20%), while transforming the Company's revenues into more diversified income.

We expect Sports Betting to continue growing further via the launch of various growth initiatives in TGC and our affiliate brands. Casino revenues are also expected to return to slow growth going forward, with the opening of the Dutch market (one of the larger European markets) in October 2021 playing an important role. The Poker vertical's main driver has historically been Pokerlistings.com. In September 2021, Acroud returned to the live events scene by holding the first The Festival event (live tournament and gaming event) in Bratislava. The Festival is not just a new revenue stream within the Poker vertical, but also a new way how to create rich content for our Poker and Casino sites as well as to work closer with operators. With the launch of The Festival, complimented by TGC's acquisition, Poker is set to grow in the quarters to come.

The revenue share's ratio out of total iGaming affiliation's revenue has stabilized above 50% (53% in Q3 2021). 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.

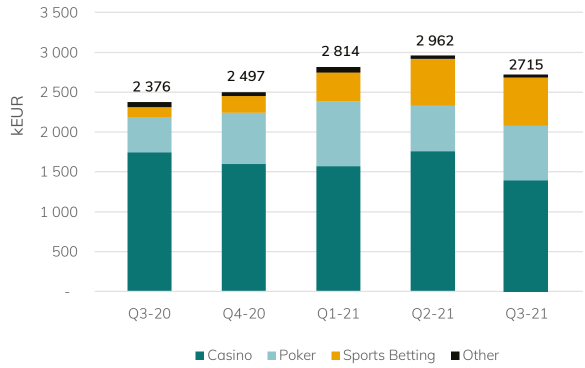
Seasonality was the main challenge for iGaming Affiliation segment in Q3 which, combined by the relaxation of COVID restrictions in European and North America causing players to shift offline, has limited revenue growth in Q3. Still, the Company has returned to positive organic growth (+0.3%).

New Depositing Customers (NDC) showed strong growth reaching 18 178 NDCs in the third quarter compared with 5 312 the corresponding period the previous year (+242%). NDC levels within the iGaming Affiliation is growing driven mainly by Sports Betting. We see continued high NDC numbers and expect continued growth as the underlying KPIs on our sites show positive trends.

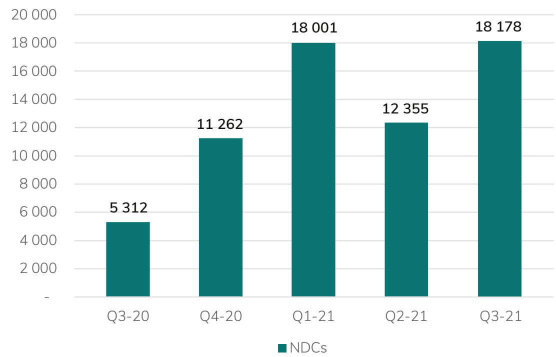
European markets continue to be our biggest success story, contributing to 68% (60%) of the iGaming affiliation revenues. We will focus to replicate this success story in North America during 2022. North America revenues in Q3-2021 (21%) increased compared with Q2-2021 (18%) yet decreased slightly when compared to the same period the previous year (23%).

EBITDA in Q3 2021 increased by 1% year-on-year to EUR 1 212 (1 194) thousand. Q3-21 EBITDA was impacted mainly by costs invested in various growth initiatives and in transformative work to increase efficiencies.

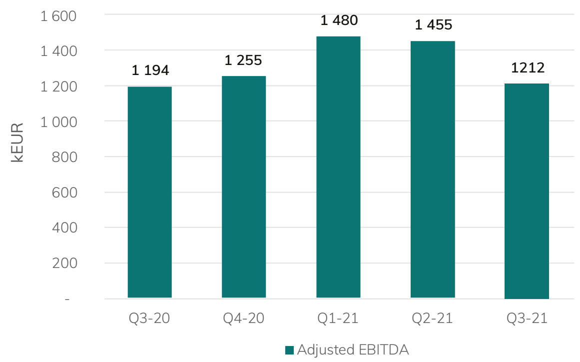
Revenue Development iGaming Affiliation Segment

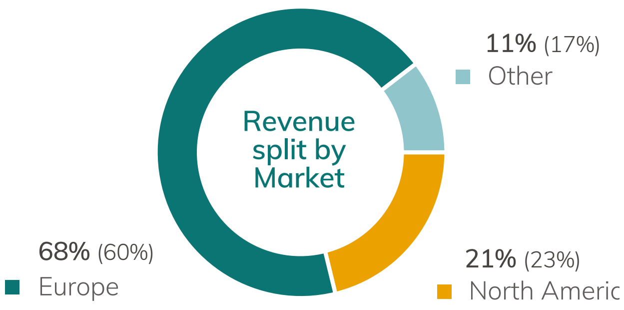


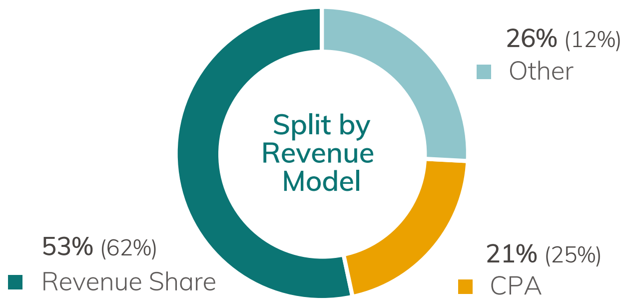
NDCs Development iGaming Affiliation Segment



Adjusted EBITDA Development iGaming Affiliation Segment




Revenue split by Market
11% (17%)
Other
68% (60%)
Europe
21% (23%)
North Americ


Split by Revenue Model
26% (12%)
Other
53% (62%)
Revenue Share
21% (25%)
CPA


NEW
ACROUD
AFFILIATION
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SaaS

Through the acquisition of Power Media Group in January 2021, Acroud has introduced SaaS solutions as part of its product offerings. SaaS solutions comprise of strong, well-established brands such as Matching Visions, Voonix and Affhut.

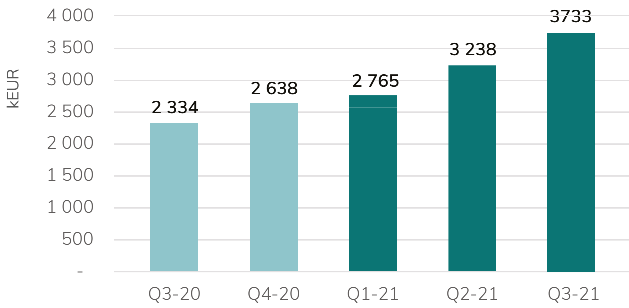
SaaS revenues are growing at steady rate reaching EUR 3 733 (-) thousand in Q3 2021 where Matching Visions' revenues amounted to EUR 3 251 thousand while the high-margin subscription-based product Voonix 's amounted to EUR 202 thousand.

The revenue development within Matching Visions is solid, driven by organic growth as well as the successful penetration in the Streaming market (Twitchers and Youtubers). This is further complimented by strong growth in the number of New Depositing Customers (NDCs) delivered to operators reaching 21 454 NDCs in the third quarter compared with 10 483 the corresponding period the previous year. Additional growth initiatives are being worked upon to target new markets, such as the Dutch and LATAM markets as well as the eSports segment.

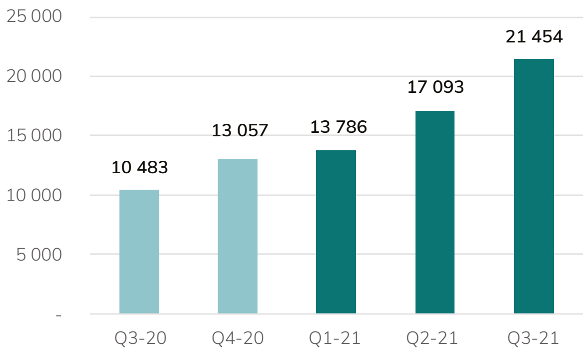
The number of customers for Voonix subscriptions is also growing as is the Annual Recurring Revenue (ARR). Growth is obtained organically and via the recent launch in the VPN market (Q3 2021). There are several ongoing initiatives to develop and launch Voonix in other verticals.

The number of RGUs (Revenue Generating Units) in the third quarter amounted to 393 (343) and is increasing quarter by quarter. The SaaS segment is also showing a stable EBITDA generation in Q3 2021 amounting to EUR 271 thousand compared to EUR 204 thousand in Q3 2020. The SaaS segment is operating with an EBITDA margin of approximately 10% where Q3 2021 reached 7%. The decrease in EBITDA margin in Q3 2021 is mainly related to higher payouts to Matching Visons' partners which represents the main cost within this vertical.

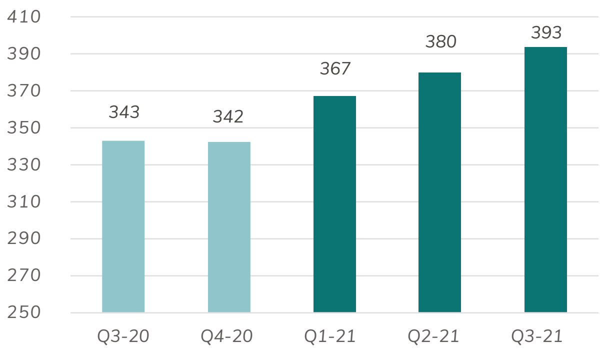
Revenue Development – SaaS Segment



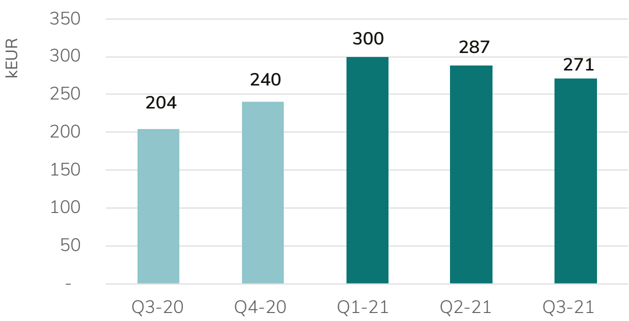
NDCs Development – SaaS Segment



RGUs Development – SaaS segment



Adjusted EBITDA Development – SaaS Segment



Financial position

Cash flow and investments

Cash flow from operating activities during the third quarter of 2021 amounted to EUR 1 230 (EUR 738) thousand out of which EUR 566 (-) thousand were used to pay income tax. The increase is mainly related to a higher EBITDA level. Working capital development has been negatively affected by higher receivables partly set-off by the increase in payables. The Company continues to have a very low level of credit losses.

Cash flow from investing activities, which, apart from acquisition activities, is limited as the Company's business model is not capital-intensive, amounted to EUR -351 thousand in Q3 2021, compared with EUR -827 thousand in Q3 2020. Acquisition of intangible assets in Q3 2021 were mainly related to website development for expansion into the European markets.

Cash flow from financing activities amounted to EUR -972 (-1 105) thousand in Q3, which consisted primarily of bond interest payments of EUR -387 thousand (which decreased from EUR -447 thousand in Q3 2020) and bond repayments of EUR -579 (-601) thousand.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period was EUR 17 631 thousand, compared with EUR 21 652 thousand at the end of Q3 2020. Acroud's current gross debt amounts to SEK 212.0 million, of which the bond amounts to SEK 205.6 million (excluding the bond repurchases and amortisation of SEK169.4 million in Q4 2019, 2020 and 2021). Converted using the closing rate, the bond loan amounts to EUR 19 884 thousand.

As at 30 September 2021, the net debt/adjusted EBITDA ratio is 3.3x. 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.

As at 30 September 2021, the Company had total provisions of EUR 9 329 (-) thousand related to potential additional consideration payments.

The bond loan outstanding at end of period is due for payment in September 2022 and is therefore reported under current liabilities in the balance sheet in this interim report. The re-financing process will be initiated shortly. Based on successful financing in the past, management is confident that this re-financing process will be equally successful. The translation effect of converting the bond loan and certain cash proceeds from SEK to EUR at the end of Q3 was EUR 111 thousand, which had a positive impact on net financial items. The Company's cash and cash equivalents at the end of Q3 2021 amounted to EUR 3 216 (2 110) thousand.

In May 2020, certain changes were made to the terms of the outstanding senior secured bond. The changes included an extension of the bond's maturity to September 2022, with a retained interest rate of Stibor 3m + 7.25%.

The equity ratio was 55 (53) percent and equity was EUR 42 265 (27 924) thousand at 30 September 2021. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. Impairment testing at the end of September 2021 did not identify any goodwill impairment.

Financial targets

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

EPS growth

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

Organic revenue growth

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

Capital structure

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

Dividend policy

Over the next three years, Acroud will prioritise growth through organic growth initiatives and will make optimisation of the capital structure rather than dividends its priority. At the AGM on 20 May 2021, it was decided that no dividend would be paid for the financial year 2020.

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
Jul-Sep 2021	6%	0.3%	3.3
Jan-Sep 2021	-67%	-13.2%	3.3

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 30 September 2021 amounted to EUR 3,280 thousand divided into 129,659,355 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 30 September 2021 was 2,114.

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 30 September 2021 was 129,659,355 distributed as shown below.

Name	No. of shares	Ownership, %
Trottholmen AB	57,390,981	44.26%
Strategic Investment A/S (JPM Chase)	19,432,040	14.99%
Swedishsantas Media AB	7,709,202	5.95%
SMD Group Ltd	6,299,512	4.86%
Försäkringsbolaget Avanza Pension	3,999,223	3.08%
RIAE MEDIA	3,501,759	2.70%
Byggnadsaktiebolaget Westnia	3,104,407	2.39%
Power Media Group A/S	1,700,488	1.31%
ES Aktiehandel AB	1,700,000	1.31%
Clearstream Banking S.A.	1,517,582	1.17%
Trading House Scandinavia	1,176,400	0.91%
Bank Julius Baer & Co Ltd	1,111,111	0.86%
Robert Andersson.	1,066,500	0.82%
Henric Stenholm	796,203	0.61%
Euroclear Bank S.A	784,300	0.60%
Other shareholders	18,369,647	14.18%
TOTAL	**129,659,355**	**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 2021, the Parent Company received dividends from subsidiaries amounting to EUR 2.6 (5.0) 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 particularly in the iGaming Affiliation segment, with Q1 (Jan-Mar) and Q4 (Oct-Dec) revenue being somewhat stronger, while Q2 (Apr-Jun) and Q3 (Jul-Sep) are relatively weaker. The revenue seasonality follows the normal pattern for the iGaming industry. 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, 11 November 2021

BOARD AND CEO

Henrik Kvick
Chairman

Kim Mikkelsen
Director

Peter Åström
Director

Jonas Strömberg
Director

Maria Andersson Grimaldi
Director

Robert Andersson
President and CEO

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Forthcoming report dates

Year-end report January-December 2021: 18 February 2022
Interim report January-March 2022: 19 May 2022
Interim report April-June 2022: 11 August 2022
Interim report July-September 2022: 10 November 2022
2022 AGM: 19 May 2022

Presentation for investors, analysts and media

A live webcast will be held on 11th November 2021 at 10.00 a.m. Swedish time. CEO Robert Andersson will present the report in English. You can follow the presentation here https://tv.streamfabriken.com/acroud-q3-2021

To join the conference call, ring:

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

Auditor's review report

ACROUD AB (publ) reg. no. 556693-7255

Introduction

We have reviewed the condensed interim financial information (the interim report) for Acroud AB (publ) at 30 September 2021 and for the nine months then ended. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified during an audit. Consequently, conclusions based on a review do not have the level of assurance of those based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and the Swedish Annual Accounts Act for the Parent Company.

Stockholm 11 November 2021

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Q3 2021 FINANCIAL
STATEMENTS

Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/07/2021 30/09/2021	01/07/2020 30/09/2020	01/01/2021 30/09/2021	01/01/2020 30/09/2020
Revenue *notes 2, 3*	6 448	2 376	18 227	9 133
Total revenue	**6 448**	**2 376**	**18 227**	**9 133**
Capitalised work for own account	334	262	820	745
Other external expenses	(4 537)	(835)	(11 957)	(2 824)
Personnel expenses	(1 018)	(842)	(3 343)	(2 835)
Other operating income	31	21	110	37
Other operating expenses	-	(21)	-	(57)
EBITDA	**1 258**	**961**	**3 857**	**4 199**
Depreciation/amortisation	(520)	(159)	(1 377)	(968)
Operating profit (EBIT)	**738**	**802**	**2 480**	**3 231**
Interest and similar income	-	-	-	584
Interest and similar expenses	(633)	(596)	(1 871)	(2 034)
Other financial items	111	168	218	346
Profit/loss from financial items	**(522)**	**(428)**	**(1 653)**	**(1 104)**
Profit before tax	216	374	827	2 127
Tax on profit for the period	377	(47)	246	(186)
Profit for the period	**593**	**327**	**1 073**	**1 941**
Earnings per share (EUR)	0.005	0.004	0.009	0.026
Earnings per share after dilution (EUR)	0.005	0.004	0.014	0.026
Other comprehensive income, income and expenses recognised directly in equity				
Exchange differences on translation of foreign operations	-	(17)	9	(19)
Other comprehensive income for the period	-	(17)	9	(19)
Total comprehensive income for the period	**593**	**310**	**1 082**	**1 922**

Consolidated Statement of Financial Position

Amounts in kEUR	30/09/2021	30/09/2020	31/12/2020
Assets			
Non-current assets			
Goodwill	50 793	42 856	42 856
Other intangible assets	17 637	4 920	7 392
Right-of-use assets	100	252	214
Property, plant and equipment	137	158	143
Investment in associate	1	-	-
Other non-current receivables	98	108	106
Deferred tax assets	289	317	20
Total non-current assets	**69 055**	**48 611**	**50 731**
Current assets			
Trade receivables	2 617	1 206	1 496
Other receivables	1 809	612	589
Prepayments and accrued income	691	184	131
Cash and cash equivalents	3 216	2 110	8 114
Total current assets	**8 333**	**4 112**	**10 330**
Total assets	**77 388**	**52 723**	**61 061**
Equity and liabilities			
Equity *note 4*	**42 265**	**27 924**	**36 422**
Non-current liabilities			
Borrowing *note 5*	-	22 271	21 595
Liabilities to Parent Company	-	363	387
Deferred tax liabilities	1 481	363	104
Other liabilities	9 329	-	635
Lease liabilities	-	101	62
Total non-current liabilities and provisions	**10 810**	**23 098**	**22 783**
Current liabilities3.			
Borrowing *note 5*	19 884	-	-
Liabilities to Parent Company	393	-	-
Trade Payables	728	270	336
Tax liabilities	245	-	68
Other liabilities	664	484	442
Lease liabilities	167	151	151
Accruals and deferred income	2 232	796	859
Total current liabilities	**24 313**	**1 701**	**1 856**
Total equity and liabilities	**77 388**	**52 723**	**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**
Opening equity, 1 Apr 2021	3 085	22 794	2 682	11 033	39 594
Issue of ordinary shares as a consideration for acquisitions	195	2 135	-	-	2 330
Share issue costs	-	(21)	-	-	(21)
Share-based payments	-	35	-	-	35
Comprehensive income for the period	-	-	(11)	(267)	(278)
Closing equity, 30 Jun 2021	**3 280**	**24 943**	**2 671**	**10 766**	**41 660**
Opening equity, 1 Jul 2021	3 280	24 943	2 671	10 766	41 660
Share issue costs	-	(6)	-	-	(6)
Share-based payments	-	18	-	-	18
Comprehensive income for the period	-	-	-	593	593
Closing equity, 30 Sep 2021	**3 280**	**24 955**	**2 671**	**11 359**	**42 265**

Consolidated Cash Flow Statement

Amounts in kEUR	01/07/2021 30/09/2021	01/07/2020 30/09/2020	01/01/2021 30/09/2021	01/01/2020 30/09/2020
Operating activities				
Profit before tax	216	374	827	2 127
Adjustments for non-cash items not included in operating activities				
Depreciation and amortisation of assets	518	159	1 375	968
Exchange gains/losses on financial receivables and liabilities	(105)	(168)	(212)	(346)
Costs for share-based programmes	18	10	62	(43)
(Gain)/loss on sale of other assets	3	(37)	(100)	(37)
Provisions for restructuring	-	(212)	90	203
Interest and similar expenses	633	596	1 871	2 034
Interest and similar income	-	-	-	(584)
Tax paid	(566)	-	(951)	-
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	(387)	299	(961)	460
Increase (+)/Decrease (-) in operating liabilities	334	(283)	640	24
Cash flow from operating activities	**664**	**738**	**2 641**	**4 806**
Investing activities				
Acquisition of shares in Group companies, net of cash acquired	-	-	(3 665)	-
Acquisition of shares in associates	-	-	1	-
Acquisition of property, plant and equipment	(14)	10	(31)	(22)
Acquisition of intangible assets	(337)	(944)	(1 472)	(1 540)
Sale of other assets	-	107	602	263
Cash flow from investing activities	**(351)**	**(827)**	**(4 565)**	**(1 299)**
Financing activities				
Issue expenses	(6)	(57)	(32)	(1 115)
Received and repaid option proceeds	-	-	-	(17)
Repayment of borrowings	(579)	(601)	(1 738)	(5 335)
Interest paid	(387)	(447)	(1 184)	(1 417)
Repayment of lease liabilities	-	-	-	(98)
Cash flow from financing activities	**(972)**	**(1 105)**	**(2 954)**	**(7 982)**
Cash flow for period	**(659)**	**(1 194)**	**(4 878)**	**(4 475)**
Cash & cash equivalents at beginning of period	3 870	3 291	8 114	6 771
Exchange differences	(4)	(11)	(75)	(210)
Reclassification from cash & cash equivalents to other current financial assets	9	24	55	24
Cash & cash equivalents at end of period	**3 216**	**2 110**	**3 216**	**2 110**

Income Statement – Parent Company

Amounts in kEUR	01/07/2021 30/09/2021	01/07/2020 30/09/2020	01/01/2021 30/09/2021	01/01/2020 30/09/2020
Revenue	16	67	48	336
Total Revenue	**16**	**67**	**48**	**336**
Operating expenses				
Other external expenses	(130)	(113)	(655)	(363)
Personnel expenses	(6)	(33)	(14)	(396)
Other operating expenses	-	(2)	-	(13)
Other operating income	1	-	1	1
EBITDA	**(119)**	**(81)**	**(620)**	**(435)**
Depreciation/amortisation	-	-	-	-
Operating profit/(loss)	**(119)**	**(81)**	**(620)**	**(435)**
Profit/loss from financial items				
Profit/loss from investments in Group companies	400	-	2 640	5 000
Other interest and similar income	-	3	-	607
Interest and similar expenses	(612)	(588)	(1 813)	(2 009)
Other financial items	112	171	227	357
Profit after financial items	**(219)**	**(495)**	**434**	**3 520**
Tax on profit for the period	-	-	-	-
Profit for the period	**(219)**	**(495)**	**434**	**3 520**

Balance Sheet – Parent Company

Amounts in kEUR	30/09/2021	30/09/2020	31/12/2020
Assets			
Total non-current assets	52 535	31 581	33 898
Total current assets	1 115	2 465	7 686
Total assets	**53 650**	**34 046**	**41 584**
Equity and liabilities			
Equity	23 697	11 186	18 504
Total non-current liabilities	9 329	22 271	22 617
Total current liabilities	20 624	589	463
Total equity and liabilities	**53 650**	**34 046**	**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 206 million (EUR 19 884 thousand based on 30 September 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 30 September 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.

Organic revenue growth - bridge Q3 2021

Amounts in kEUR	01/07/2021 30/09/2021 Growth, %	01/07/2021 30/09/2021 Absolute Figures	01/07/2020 30/09/2020 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	**171.5%**	**6 448**	**2 376**	**4 072**
Adjustment for acquired and divested/discontinued operations	(171.0%)	(4 063)	-	(4 063)
Total Growth in EUR, excluding acquired and divested/discontinued operations	**0.5%**	**2 385**	**2 376**	**9**
Adjustment for constant currency	(0.2%)	-	4	(4)
Total organic revenue growth	**0.3%**	**2 385**	**2 380**	**5**

Organic revenue growth - bridge Q3 2020

Amounts in kEUR	01/07/2020 30/09/2020 Growth, %	01/07/2020 30/09/2020 Absolute Figures	01/07/2019 30/09/2019 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	**(31.5%)**	**2 376**	**3 467**	**(1 091)**
Adjustment for acquired and divested/discontinued operations	0.0%	-	-	-
Total Growth in EUR, excluding acquired and divested/discontinued operations	**(31.5%)**	**2 376**	**3 467**	**(1 091)**
Adjustment for constant currency	1.3%	-	(65)	65
Total organic revenue growth	**(30.2%)**	**2 376**	**3 402**	**(1 026)**

3. Revenue

The Group's revenue for Q3 2021 and Q3 2020 was distributed as follows:

Amounts in kEUR	01/07/2021 30/09/2021	01/07/2020 30/09/2020	01/01/2021 30/09/2021	01/01/2020 30/09/2020
Revenue by vertical within iGaming Affiliate Segment				
Casino	1 395	1 742	4 726	6 635
Poker	691	449	2 082	1 784
Sports Betting	598	123	1 540	541
Other affiliation verticals	31	62	143	173
Total revenue in iGaming Affiliate Segment	**2 715**	**2 376**	**8 491**	**9 133**
Revenue by vertical within SaaS Segment				
Matching Visions	3 251	-	8 236	-
Voonix	202	-	593	-
Other	280	-	907	-
Total revenue in SaaS Segment	**3 733**	**-**	**9 736**	**-**
Total Group revenue	**6 448**	**2 376**	**18 227**	**9 133**

Revenue attributable to Sweden in Q3 2021 amounted to 7% (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 18 thousand for Q3 2021 and EUR 62 thousand for Jan-Sept 2021.

5. Borrowing

Borrowing consists of a bond loan amounting to SEK 206 (244) 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, Q2 and Q3 of 2021 further bonds were repurchased on the market at a nominal amount of SEK 17.625 million.

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

Amounts in kEUR	30/09/2021	30/09/2020	31/12/2020
Corporate bond			
Nominal amount	20 222	23 059	22 258
Prepaid transaction costs	(338)	(788)	(663)
Carrying amount	19 884	22 271	21 595

The bond was listed for institutional trading on Nasdaq Stockholm's Corporate Bonds List on 7 November 2017, and has a variable interest rate of Stibor 3m + 7.25%. The bond matures in September 2022 and thus has been reclassified to current liabilities. The re-financing process will be initiated shortly. Based on successful financing in the past, management is confident that this re-financing process will be equally successful.

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.

	Group		Parent Company	
Amounts in kEUR	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Net assets/Shares in subsidiaries pledged as collateral for bonds	**50 555**	**48 501**	**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 in Q2 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 and costs related to the new strategic direction with a change of name to Acroud. These non-recurring costs in Q2 2020 amounted to EUR 559 thousand in total.

Results in Q2 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 -1 139 thousand attributable to Financing activities.

Q2 2021 was affected by non-recurring transformative costs of EUR 341 thousand in connection with acquisition processes and restructuring, and adverse currency effects of EUR 218 thousand attributable to Financing activities. Q3 2021 was only affected by EUR 111 thousand favourable effect attributable to Financing activities.

Amounts in kEUR	Reported income statement	Items affecting	Adjusted for items affecting	Reported income statement	Items affecting	Adjusted for items affecting	Reported income statement	Items affecting	Adjusted for items affecting	Reported income statement	Items affecting	Adjusted for items affecting
	01/07/2021 - 30/09/2021			01/07/2020 - 30/09/2020			**01/01/2021 - 30/09/2021**			01/01/2020 - 30/09/2020		
Other external expenses	(4 537)	-	(4 537)	(835)	-	(835)	(11 957)	315	(11 642)	(2 824)	367	(2 457)
Personnel expenses	(1 018)	-	(1 018)	(842)	-	(842)	(3 343)	160	(3 183)	(2 835)	192	(2 643)
EBITDA	**1 258**	**-**	**1 258**	**961**	**-**	**961**	**3 857**	**475**	**4 332**	**4 199**	**559**	**4 758**
Depreciation/amortisation and impairment	(520)	-	(520)	(159)	-	(159)	(1377)	-	(1377)	(968)	503	(465)
Operating profit (EBIT)	**738**	**-**	**738**	**802**	**-**	**802**	**2 480**	**475**	**2 955**	**3 231**	**1 062**	**4 293**
Interest and similar expenses	(633)	-	(633)	(596)	-	(596)	(1 871)	-	(1 871)	(2 034)	240	(1 794)
Other financial items	111	(111)	-	168	(165)	3	218	(222)	(4)	346	(345)	1
Net profit before tax	**216**	**(111)**	**105**	**374**	**(165)**	**209**	**827**	**253**	**1 080**	**2 127**	**957**	**3 084**
Net profit	**593**	**(111)**	**482**	**327**	**(165)**	**162**	**1 073**	**253**	**1 326**	**1 941**	**957**	**2 898**

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	5.8
Total purchase consideration	**10.9**
Trademarks	(1.7)
Developed technology	(1.3)
Customer relationships	(2.3)
Deferred tax liability	0.3
Net assets on subsidiaries’ on-balance-sheet	(0.8)
Goodwill	**5.1**

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.

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)	2.9
Share issue and allotment	2.3
Contingent consideration, discounted at present value	2.6
Total purchase consideration	**7.8**
Trademarks	(0.6)
Developed technology	(0.2)
Customer relationships	(4.6)
Deferred tax liability	1.1
Net assets on subsidiaries' on-balance-sheet	(0.7)
Goodwill	**2.8**

The valuation techniques used for measuring the fair value of the assets acquired on a provisional basis in both transactions are 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 in both transactions 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.

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 SaaS. The following summary describes the operations in each of the Group's reportable segments:

- iGaming Affiliation segment comprises Acroud AB's underlying affiliate business containing Casino, Poker and Betting verticals. Through this segment, Acroud delivers high quality content, search engine optimisation and cutting-edge technology improvements to its core affiliate assets to maintain strong keyword rankings.

- SaaS segment comprises Software as a Service (SaaS). 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	Jul - Sep 2021				Jul - Sep 2020			
	iGaming Affiliation	SaaS	Unallocated	Total	iGaming Affiliation	SaaS	Unallocated	Total
Revenue	2 715	3 733	-	6 448	2 376	-	-	2 376
Other external expenses	(1 238)	(3 203)	(97)	(4 538)	(728)	-	(107)	(835)
Personnel expenses	(600)	(290)	(128)	(1 018)	(718)	-	(124)	(842)
Other operating income / (costs)	334	31	1	366	264	-	(2)	262
EBITDA	**1 211**	**271**	**(224)**	**1 258**	**1 194**	**-**	**(233)**	**961**
Depreciation/Amortisation	(383)	(137)	-	(520)	(159)	-	-	(159)
EBIT	**828**	**134**	**(224)**	**738**	**1 035**	**-**	**(233)**	**802**
Interest and similar expenses	-	-	(633)	(633)	-	-	(596)	(596)
Other financial assets	-	-	111	111	-	-	168	168
Profit/loss before tax	**828**	**134**	**(746)**	**216**	**1 035**	**-**	**(661)**	**374**
Tax on profit for the year	-	-	377	377	-	-	(47)	(47)
Profit for the year	**828**	**134**	**(369)**	**593**	**1 035**	**-**	**(708)**	**327**
Material non-cash items								
Net foreign exchange gain/(loss)	(2)	-	112	110	(3)	-	357	354
Segment Assets	62 904	13 150	-	76 054	51 076	-	-	51 076
Unallocated Assets	-	-	1 174	1 174	-	-	1 647	1 647
Total assets	**62 904**	**13 150**	**1 174**	**77 228**	**51 076**	**-**	**1 647**	**52 723**
Segment Liabilities	(5 023)	(7 789)	-	(12 812)	(1 581)	-	-	(1 581)
Unallocated Liabilities	-	-	(22 151)	(22 151)	-	-	(23 218)	(23 218)
Total Liabilities	**(5 023)**	**(7 789)**	**(22 151)**	**(34 963)**	**(1 581)**	**-**	**(23 218)**	**(24 799)**

Amounts in kEUR	Jan - Sep 2021				Jan - Sep 2020			
	iGaming Affiliation	SaaS	Unallocated	Total	iGaming Affiliation	SaaS	Unallocated	Total
Revenue	8 491	9 736	-	18 227	9 133	-	-	9 133
Other external expenses	(3 231)	(8 151)	(575)	(11 957)	(2 495)	-	(329)	(2 824)
Personnel expenses	(2 156)	(806)	(381)	(3 343)	(2 320)	-	(515)	(2 835)
Other operating income / (costs)	851	79	-	930	738	-	(13)	725
EBITDA	**3 955**	**858**	**(956)**	**3 857**	**5 056**	**-**	**(857)**	**4 199**
Depreciation/Amortisation	(965)	(412)	-	(1,377)	(968)	-	-	(968)
EBIT	**2 990**	**446**	**(956)**	**2 480**	**4 088**	**-**	**(857)**	**3 231**
Interest and similar income	-	-	-	-	-	-	584	584
Interest and similar expenses	-	-	(1 871)	(1 871)	-	-	(2 034)	(2 034)
Other financial assets	-	-	218	218	-	-	346	346
Profit/loss before tax	**2 990**	**446**	**(2 609)**	**827**	**4 088**	**-**	**(1 961)**	**2 127**
Tax on profit for the year	-	-	246	246	-	-	(186)	(186)
Profit for the year	**2 990**	**446**	**(2 363)**	**1 073**	**4 088**	**-**	**(2 147)**	**1 941**
Material non-cash items								
Net foreign exchange gain/(loss)	(9)	-	227	218	(11)	-	357	346
Segment Assets	62 904	13 150	-	76 054	51 076	-	-	51 076
Unallocated Assets	-	-	1 174	1 174	-	-	1 647	1 647
Total assets	**62 904**	**13 150**	**1 174**	**77 228**	**51 076**	**-**	**1 647**	**52 723**
Segment Liabilities	(5 023)	(7 789)	-	(12 812)	(1 581)	-	-	(1 581)
Unallocated Liabilities	-	-	(22 151)	(22 151)	-	-	(23 218)	(23 218)
Total Liabilities	**(5 023)**	**(7 789)**	**(22 151)**	**(34 963)**	**(1 581)**	**-**	**(23 218)**	**(24 799)**

Key figures and definitions

Key figures, Group

	01/07/2021 30/09/2021	01/07/2020 30/09/2020	01/01/2021 30/09/2021	01/01/2020 30/09/2020
EBITDA margin	20%	40%	21%	46%
Adjusted EBITDA margin	20%	40%	24%	52%
Operating margin	11%	34%	14%	35%
Revenue Growth	172%	(32%)	100%	(17%)
Organic growth	0.3%	(30.2%)	(13.2%)	(16.7%)
Equity ratio	55%	53%	55%	53%
Return on equity	1%	1%	3%	7%
Equity per share (EUR)	0.33	0.37	0.33	0.37
Number of registered shares at end of period	129,659,355	75 604 487	129,659,355	75 604 487
Weighted average number of shares before dilution	129,659,355	75 604 487	126,136,436	75 604 487
Weighted average number of shares after dilution	129,659,355	75 604 487	126,136,436	75 604 487
Earnings per share (after dilution)	0.005	0.004	0.009	0.026
Adjusted earnings per share (after dilution)	0.004	0.002	0.011	0.038
Market price per share at end of period (SEK)	2.55	3.20	2.55	3.20
EPS growth (%)	6%	(71%)	(67%)	(55%)

Acroud presents certain alternative performance measures (APMs) in addition to the conventional financial ratios defined by IFRS in order to achieve better understanding of the development of operations and the Group's financial status. However the APMs should not be regarded as a substitute for the key ratios required under IFRS. The reconciliation is presented in the tables in the annual report and should be read in connection with the definitions below.

CPA	Cost Per Acquisition - revenue from up-front payment for each individual paying player that Acroud refers to its partners (usually the iGaming operator).
EBITDA margin	EBITDA in relation to revenue.
Equity per share	Equity divided by the number of shares outstanding.
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.
SaaS Segment	Financial information relating to the SaaS business line. SaaS financial information relating to periods before acquisition date is based on proforma figures.
Adjusted EBITDA	Reported EBITDA, adjusted for non-recurring items 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 the SaaS segment. RGUs represent the number of active affiliate companies forming part of Acroud's Matching Visions network and the number of active clients to whom Voonix and Affhut 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.