Y E A R - E N D R E P O R T 2 0 2 1

ACROUD

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.

YEAR-END REPORT 2021

AN EVENTFUL QUARTER WITH FOCUS ON OPERATIONAL EFFICIENCY

YEAR-END REPORT 2021

AN EVENTFUL QUARTER
WITH FOCUS ON OPERATIONAL EFFICIENCY

FOURTH QUARTER 2021

- **Revenue** amounted to **EUR 6 540** (2 497) thousand, corresponding to a growth of **162%** (-24%) and an organic growth of **-11.1%** (-23.7%).
- **EBITDA** amounted to **EUR 817** (1 292) thousand. **Adjusted EBITDA** (before items affecting comparability related to restructuring) was **EUR 1 062** (1 023) thousand.
- **Profit** after tax was **EUR -356** (-685) thousand. **Adjusted profit** after tax (before items affecting comparability and currency effects) was **EUR -264** (94) thousand.
- **Earnings per share** after dilution amounted to **EUR -0.003** (-0.008). **Adjusted earnings per share** (before items affecting comparability and currency effects) was **EUR -0.002** (0.001).
- **New Depositing Customers** (NDC) amounted to **32 328** (11 262) increasing by **187%** (3%).
- **Cash flow** from operating activities amounted to **EUR 642** (958) thousand. Cash flow from operating activities excluding one-off tax payment relating to acquisitions amounted to **EUR 703** (958) thousand.

PERIOD 1 JANUARY – 31 DECEMBER 2021

- **Revenue** amounted to **EUR 24 767** (11 630) thousand, corresponding to a growth of **113%** (-19%) and an organic growth of **-12.6%** (-18.3%).
- **EBITDA** amounted to **EUR 4 676** (5 492) thousand. **Adjusted EBITDA** (before items affecting comparability related to restructuring) was **EUR 5 395** (5 782) thousand.
- **Profit** after tax was **EUR 719** (1 256) thousand. **Adjusted profit** after tax (before items affecting comparability and currency effects) was **EUR 1 064** (2 992) thousand.
- **Earnings per share** after dilution amounted to **EUR 0.006** (0.016). **Adjusted earnings per share** (before items affecting comparability and currency effects) was **EUR 0.008** (0.038).
- **New Depositing Customers** (NDC) amounted to **133 195** (36 275) increasing by **267%** (-18%).
- **Cash flow** from operating activities amounted to **EUR 3 281** (5 765) thousand. Cash flow from operating activities excluding one-off tax payment relating to acquisitions amounted to **EUR 4 373** (5 765) thousand.

IMPORTANT EVENTS IN THE QUARTER

- Dutch market, being one of the larger European markets, has opened on 1 October 2021. Ten operators were granted a license, with more licenses expected to be issued in Q1 2022.
- On 1 November Roderick Attard was appointed as the new CFO of Acroud. Roderick previously held the position of Head of Finance at Acroud. He has profound industry knowledge from the iGaming industry and a background as an auditor at KPMG.
- Following its continued investment in productivity, synergies and software tools, Acroud launched in mid-November a large efficiency program with around 20 people being affected in mid-November. The program is aimed at creating a cost saving of around EUR1.2M in 2022, while accelerating revenue growth in 2022 and beyond. This program had a one-off cost in Q4 2021 of approximately EUR 245k.

Key Figures	OCT-DEC			JAN-DEC		
EUR thousands	2021	2020	Y/Y%	2021	2020	Y/Y%
Revenue	6 540	2 497	162%	24 767	11 630	113%
Revenue Growth, %	162%	-24%	186%p	113%	-19%	132%p
Organic Growth, %	-11.1%	-23.7%	13%p	-12.6%	-18.3%	6%p
EBITDA	817	1 292	-37%	4 676	5 492	-15%
EBITDA margin, %	12%	52%	-40%p	19%	47%	-28%p
Adjusted EBITDA	1 062	1 023	4%	5 395	5 782	-7%
Adjusted EBITDA margin, %	16%	41%	-25%p	22%	50%	-28%p
Profit after tax	-356	-685	-48%	719	1 256	-43%
Earnings per share (after dilution)	-0.003	-0.008	-64%	0.006	0.016	-64%
Adjusted Profit after tax	-264	94	-381%	1 064	2 992	-64%
Adjusted Earnings per share (after dilution	-0.002	0.001	-297%	0.008	0.038	-78%
Net Debts / Adjusted EBITDA rolling 12 months)	3.2	2.9	10%	3.2	2.9	10%
New Depositing Customers (NDCs)	32 328	11 262	187%	133 195	36 275	267%

%p = percentage points

AN EVENTFUL QUARTER WITH A FOCUS ON OPERATIONAL EFFICIENCY

After multiple acquisitions, we have taken a big step towards becoming a more software-driven affiliate and have successfully executed cost synergies with the launch of our efficiency program. This means that we are able to do more with fewer people. We expect to see the significant effects on EBITDA levels from this program in 2022 and onwards.

While a leaner, more agile company keeps a higher pace and adapts quicker to the industry changes, we continue to keep a firm eye on our costs while accelerating our revenue growth in 2022 in line with our strategy.

In Q4-2021, Acroud delivered an increase in revenue year-on-year by 162% to EUR 6 540 thousand driven by acquisitions. EBITDA, excluding one-off costs emanating from the restructuring program, amounted to € 1.1million. The restructuring program had a one-off cost of approximately EUR 245 thousand in Q4 2021 and will create a cost-saving of around EUR1.2 million in 2022.

With a more agile organisation, Acroud is positioned to deliver significant growth in both revenue and profit in 2022 and beyond. It's therefore with great optimism that we, as a strong team, have entered this year. In the near term, we will start our refinancing process.

Robert Andersson, CEO

AN UPDATE ON THE DUTCH MARKET

The newly regulated Dutch market has opened up slower than expected due to fewer operators being granted an online gaming license. However, Acroud has listened carefully to the needs of operators in the market, and our strategic decision to move towards richer content is paying off. After acquiring Swedish The Gambling Cabin, we have now expanded its original concept and rolled it out in the Netherlands. The community is steadily growing by the day, and we see significant potential in expanding to other markets in the future.

Moreover, Acroud has teamed up with an extensive network which will further increase our presence in the Dutch market via the SaaS segment, contributing to Acroud's 2022 revenue growth.

With that in mind, Acroud is positioned to become one of the strongest players in the Netherlands.

Strategy and M&A

During last year we have been active in M&A. During the last quarter we have really started to see the fruits of this strategy. We have branched out to stay relevant and developed streaming and podcasting media. We have also secured leading software to become a prominent supplier of software services within our industry. And as anticipated, we already see that our acquisitions are helping our 'old' core business to get back to growth.

Delivering the best content on the market, backed by unrivalled software solutions, will be a winning combination as we advance towards 2022.

SUCCESSFUL WITHIN AFFILIATION

Our heavy investment in SEO strategies during the second half of 2021 has proven successful. Specific brands have grown NDCs by 71% and Revenue by 72% quarter-on-quarter during Q4-21. We look forward to implementing the same SEO strategy on more key brands targeting strategic markets during 2022, at limited additional cost.

SOFTWARE AS A SERVICE DEVELOPMENTS

SaaS revenues continued to grow steadily, increasing by 3% quarter-on-quarter and 46% year-on-year. Acroud's advanced data collection tool, Voonix, has delivered steady quarter-on-quarter growth of 15% in revenue. Likewise, Matching Visions has grown its revenue by 57% year-on-year during Q4-21. In addition to penetrating the Dutch market, Matching Visions has launched an eSports affiliate network. Both networks will develop and mature in 2022.

The New Acroud

Since January 2021, Acroud has been a very different company than our direct competitors. With the acquisition of PMG we have moved away from being just an affiliate company, and we have started offering B2B services referred to as SaaS solutions. This strategic move has created a new company with less exposure to SEO and other risks associated with the affiliate industry while creating a more robust revenue platform for future growth. This has also changed the Company's EBITDA margins. During Q4-2021 the affiliate business operated at an EBITDA margin (excluding one-off costs) of 37% while the SaaS business operated at an EBITDA margin of 6%, resulting in a blended Group EBITDA margin (excluding one-off costs) of 16%. This also explains why during Q4-21 Group EBITDA has increased by 4% year-on-year despite the 162% increase in Group Revenues.

Lastly, I am genuinely excited to have welcomed Roderick into my team as the new CFO. After four years with the company, he joined the team of industry-leading experts mixed with motivated young professionals committed to taking Acroud to the next level.

Admittedly Acroud has had some challenges over the last few years, but with bold plans and projects being implemented since Q4-21, and with the great team we have now in place, 2022 will be a bright year for us.

Robert Andersson
Malta, 17 February
2022

Group Development

QUARTER OCT–DEC 2021

Revenue

Fourth quarter revenue increased by 162% to EUR 6 540 (2 497) thousand, driven by acquisitions. Revenues in the new SaaS segment amounted to EUR 3 840 (-) thousand while revenues for the iGaming Affiliation segment amounted to EUR 2 700 (2 497) thousand.

Acroud kept delivering to its clients high number of New Depositing Customers (NDCs) reaching 32 328 NDCs in the fourth quarter compared with 11 262 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 Casino.

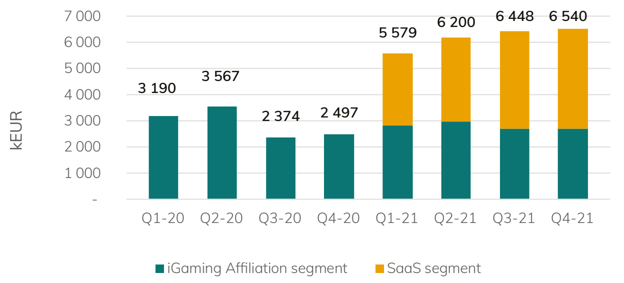
We can see that the revenue diversification work is bearing fruit and the risk profile of the business is improving simultaneously as the company is building a more robust revenue platform towards future growth.

Revenues for the SaaS segment amounted to approximately 59% of Group's revenues in the fourth quarter showing sequential growth through the launches of streaming networks within Matching Visions. Matching Visions is continuously seeking to grow its large network by partnering up with strategic networks.

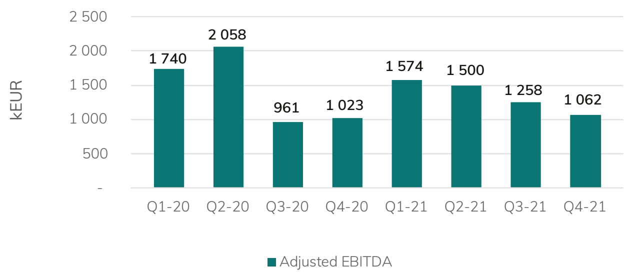
The iGaming Affiliation segment has been restructured in November 2021 to gear up for future growth. Besides operating news and comparison websites within Sports Betting, Poker and Casino, the iGaming Affiliation segment has during 2021 started to offer rich online video content and high-quality streaming (through the acquisition of The Gambling Cabin). This strategic move has yielded a revenue growth of 8% compared to Q4 2020, whilst ensuring that we are building the right knowledge and experience for the affiliation of the future.

Excluding The Gambling Cabin acquisition, the iGaming affiliation had a negative organic growth during Q4 2021 amounting to -11%, driven mainly by the Company's adjustment of its product offering in The Netherlands.

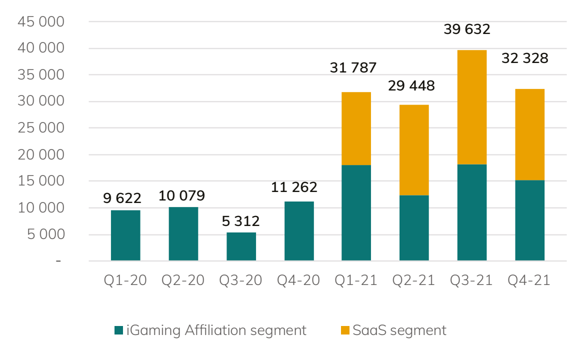
Revenue Development



EBITDA Development



NDC Development



Costs

Operating expenses for Q4 2021 increased compared to last year mainly related to the acquisitions of 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 Q4 2020 and from Q2 2021.

Personnel expenses in Q4 2021, excluding items affecting comparability and SaaS segment, decreased to EUR 669 thousand compared with Q4 2020 (EUR 824 thousand) and with Q3 2021 (EUR 728 thousand). Personnel expenses decreased following the efficiency plan launched in November 2021.

Other external expenses in Q4 2021 (EUR 1 585 thousand), excluding items affecting comparability and SaaS segment, increased both compared with Q4 2020 and sequentially driven by TGC acquisition, transformative work enhancing efficiencies, and various growth initiatives. As announced in the efficiency plan, we will continue focusing on cost control in order to run operations with a high margin.

EBITDA

Operating profit before depreciation (EBITDA) on group level amounted to EUR 817 (1 292) thousand. Excluding items affecting comparability, Group EBITDA amounted to EUR 1 062 (1 023) thousand. The items affecting comparability represent one-off costs relating to an efficiency program launched and announced in November 2021.

Depreciation/amortisation and net financial items

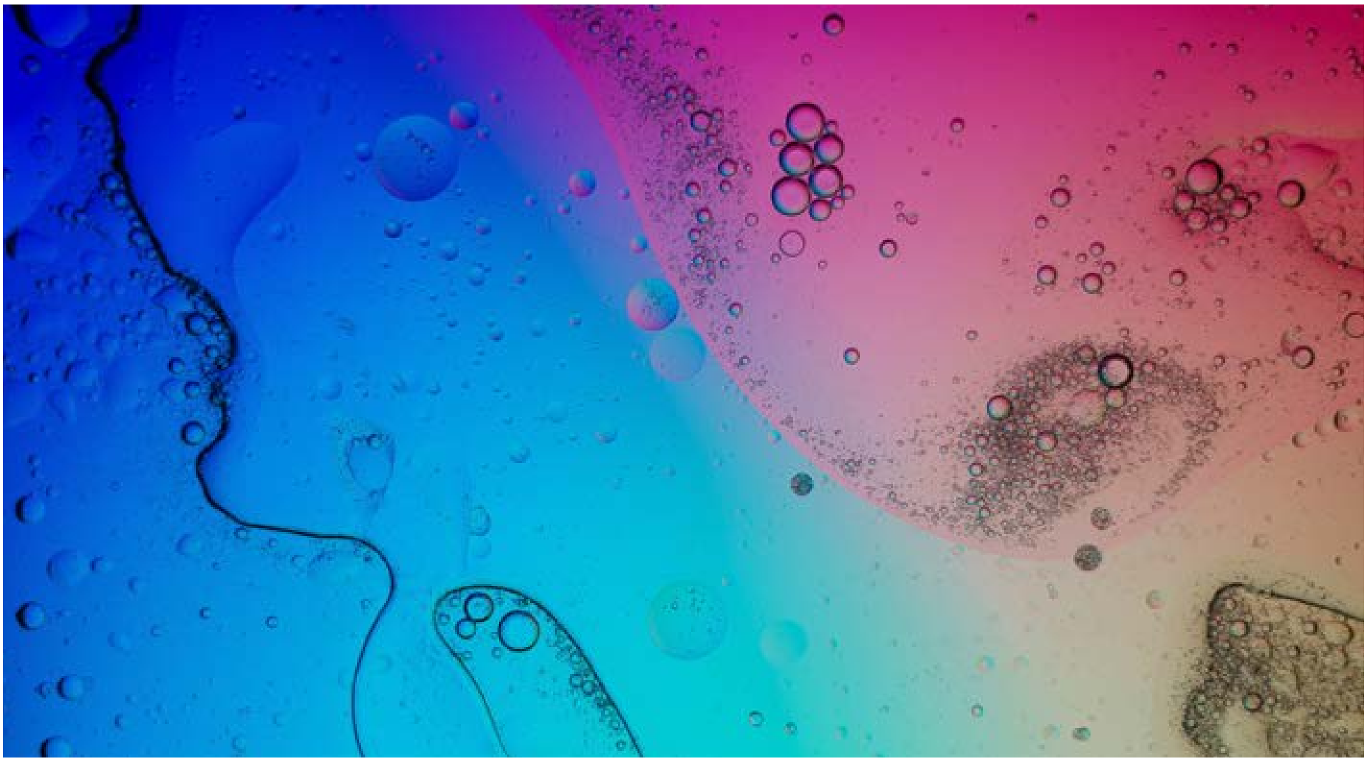
The Company's depreciation during Q4 2021 amounted to EUR 543 (187) thousand and has increased from Q4 2020, primarily due to the acquisitions of PMG and TGC.

Acroud's net financial items for Q4 2021 amounted to EUR -465 thousand, compared with EUR -1 700 thousand for the same period the previous year. Interest expenses are primarily related to loan financing.

Net financial items in Q4 2021 were positively affected by currency effects of EUR 153 (-1 048) thousand related to loan financing and cash proceeds, which were denominated in SEK.

Earnings

Profit after tax in Q4 2021 amounted to EUR -356 (-685) thousand and the period's earnings per share after dilution amounted to EUR -0.003 (-0.008). Profit after tax, adjusted for one-off costs and currency effects related to the bond loan, amounted to EUR -264 (94) thousand and the period's earnings per share after dilution amounted to EUR -0.002 (0.001). The Group continues to operate with an effective tax rate of approximately 8-10%.



iGaming Affiliation

Fourth quarter revenue during 2021 increased by 8% to EUR 2 700 (2 497) thousand, driven by The Gambling Cabin acquisition. Excluding acquisition, the iGaming affiliation revenue had a negative organic growth of -11%, impacted mainly by the Company's adjustment of its product offering in the Dutch market back in Q3-2020. The Dutch market has re-opened in October 2021 with only 10 operators being granted a license. The market is expected to grow as more operators are granted a license during 2022. Acroud is well positioned to be part of this growth.

Revenue quarter-on-quarter has remained relatively stable. Revenue diversification in terms of products has changed: an increase in Casino revenues by 6% was set off against a decline in Poker (-7%) and Sports Betting revenues (-9%).

Casino revenues are expected to continue growing going forward via the launch of various growth initiatives as well as with the opening of the Dutch market (one of the larger European markets). 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 Festival happening again during 2022, complimented by TGC's acquisition, Poker is set to grow in the quarters to come. We expect Sports Betting to return to growth too via the launch of TGC in the Netherlands.

The revenue share's ratio out of total iGaming affiliation's revenue has stabilized close to 50% (48% in Q4 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.

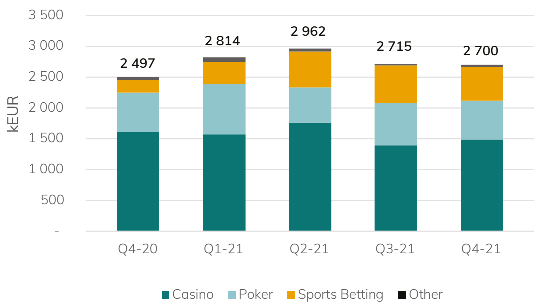
New Depositing Customers (NDCs) delivered remained high, reaching 15 268 NDCs in the fourth quarter compared with 11 262 the corresponding period the previous year (+36%). NDC levels within the iGaming Affiliation is growing driven mainly by Casino and Sports Betting. We see continued high NDC numbers 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 72% (64%) of the iGaming affiliation revenues. We see growth in regulated markets which guaranteed stability in the long-run. We will focus to replicate this success story in other regulated markets during 2022, including North America. North America revenues in Q4-2021 (16%) decreased compared with Q3-2021 (21%) and with the same period the previous year (20%).

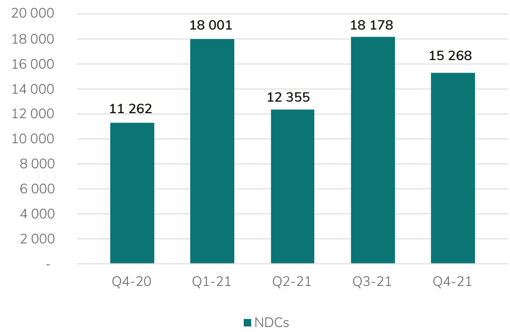
EBITDA in Q4 2021 after excluding items affecting comparability decreased by 20% year-on-year to EUR 1 009 (1 255) thousand. Q4-21 costs were impacted mainly by investments in various growth initiatives and in transformative work to increase efficiencies.

As announced in November, the efficiency plan launched will create cost savings of approximately EUR1.2million mainly in the iGaming affiliation segment. We will continue to focus on cost control and increase EBITDA margin going forward.

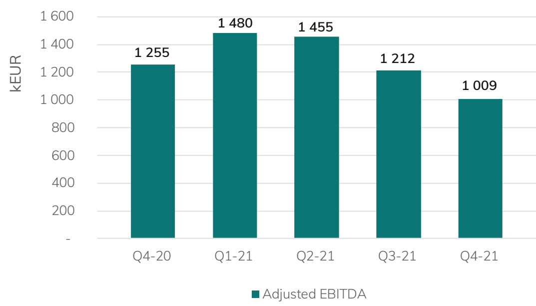
Revenue Development iGaming Affiliation Segment

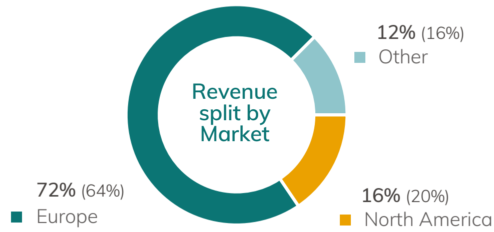


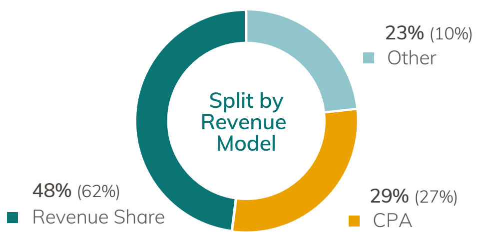
NDCs Development iGaming Affiliation Segment



Adjusted EBITDA Development iGaming Affiliation Segment







SaaS

Through the acquisition of Power Media Group in January 2021, Acroud has introduced SaaS solutions as part of its product offerings. This strategic decision has differentiated Acroud from its affiliate competitors, creating a company with lower business risk and a more robust revenue platform for future growth. The acquired SaaS solutions comprise of strong, well-established brands such as Matching Visions, Voonix and Affhut.

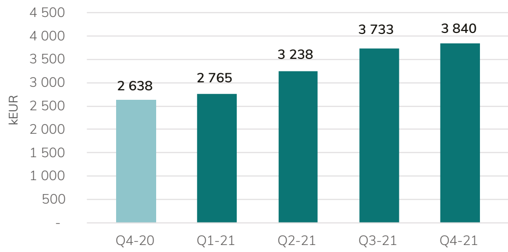
SaaS revenues are growing at steady rate reaching EUR 3 840(-) thousand in Q4 2021 where Matching Visions' revenues amounted to EUR 3 316 thousand while the high-margin subscription-based product Voonix 's amounted to EUR 232 thousand.

The revenue development within Matching Visions is solid, increasing 57% year-on-year, 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 17 060 NDCs in the fourth quarter compared with 13 057 the corresponding period the previous year. Additional growth initiatives are being worked upon to expand its network in new markets (such as The Netherlands) and new verticals (mainly eSports).

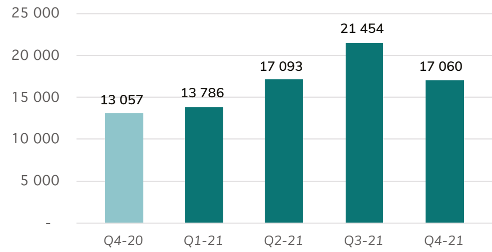
The number of customers for Voonix subscriptions is also growing as is the Annual Recurring Revenue (ARR). Revenue grew by 47% year-on-year. We expect such growth to continue developing organically in coming quarters as more initiatives are being developed to improve Voonix in terms of features as well as product offerings.

The number of RGUs (Revenue Generating Units) in the fourth quarter amounted to 398 (342) and is increasing quarter by quarter. EBITDA in SaaS during the quarter amounted to EUR 247 (240) thousand, impacted by higher payouts to Matching Visons' partners which represents the main cost within this vertical. The SaaS segment is expected to return operating with an EBITDA margin of approximately 10% in coming quarters.

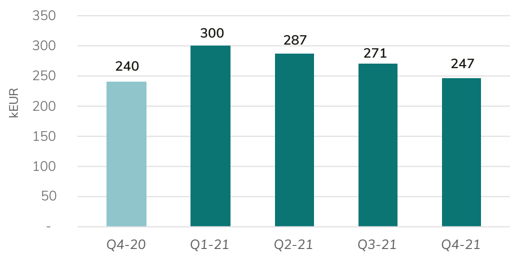
Revenue Development – SaaS Segment



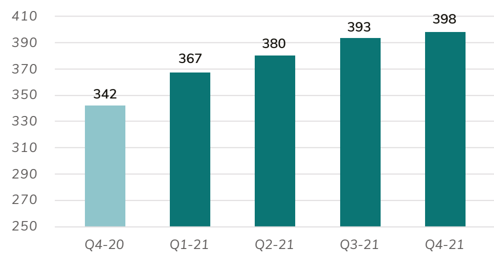
NDCs Development – SaaS Segment



Adjusted EBITDA Development – SaaS Segment



RGUs Development – SaaS segment



Financial position

Cash flow and investments

Cash flow from operating activities during the last quarter of 2021 amounted to EUR 782 (EUR 958) thousand out of which EUR 140 (-) thousand were used to pay income tax. The decrease is mainly related to a lower EBITDA level. Working capital development has been positively affected by lower receivables 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 -701 thousand in Q4 2021, compared with EUR -994 thousand in Q4 2020. The increase from Q3 2021 is attributable to the revised settlement in cash of the purchase consideration of PMG Group in November 2021. Acquisition of intangible assets in Q4 2021 were mainly related to website development for expansion into the European markets.

Cash flow from financing activities amounted to EUR -939 (5 898) thousand in Q4, which consisted primarily of bond interest payments of EUR -368 thousand (which decreased from EUR -433 thousand in Q4 2020) and bond repayments of EUR -571 (-2 018) thousand.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period was EUR 17 812 thousand, compared with EUR 14 831 thousand at the end of Q4 2020. Acroud's current gross debt amounts to SEK 205.2 million, of which the bond amounts to SEK 199.7 million (excluding the bond repurchases and amortisation of SEK175.3 million in 2019, 2020 and 2021). Converted using the closing rate, the bond loan amounts to EUR 19 247 thousand.

As at 31 December 2021, the net debt/adjusted EBITDA ratio is 3.2x. 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 31 December 2021, the Company had total provisions of EUR 9 460 (-) 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 Company's board is currently in the process of appointing financial and legal advisors to evaluate various refinancing alternatives. 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 Q4 was EUR 153 thousand, which had a positive impact on net financial items. The Company's cash and cash equivalents at the end of Q4 2021 amounted to EUR 2 202 (8 114) 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 (60) percent and equity was EUR 41 947 (36 422) thousand at 31 December 2021. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. Impairment testing at the end of December 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
Oct-Dec 2021	-64%	-11.1%	3.2
Jan-Dec 2021	-64%	-12.6%	3.2

Other information

The share

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

Share capital

Share capital on 31 December 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 31 December 2021 was 1 992.

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 December 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)	22,047,397	17.00%
Swedishsantas Media AB	7,709,202	5.95%
SMD Group Ltd	5,937,008	4.58%
RIAE MEDIA	3,727,338	2.87%
Byggnadsaktiebolaget Westnia	3,104,407	2.39%
Försäkringsbolaget Avanza Pension	2,699,822	2.08%
Power Media Group A/S	1,700,488	1.31%
ES Aktiehandel AB	1,700,000	1.31%
Clearstream Banking S.A.	1 518 582	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%
Six Sis AG	1,065,517	0.82%
Nordnet Pensionsförsäkring AB	963,838	0.74%
Other shareholders	16,740,764	12.93%
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 3.6 (5.0) million.

Relevant risks and uncertainties

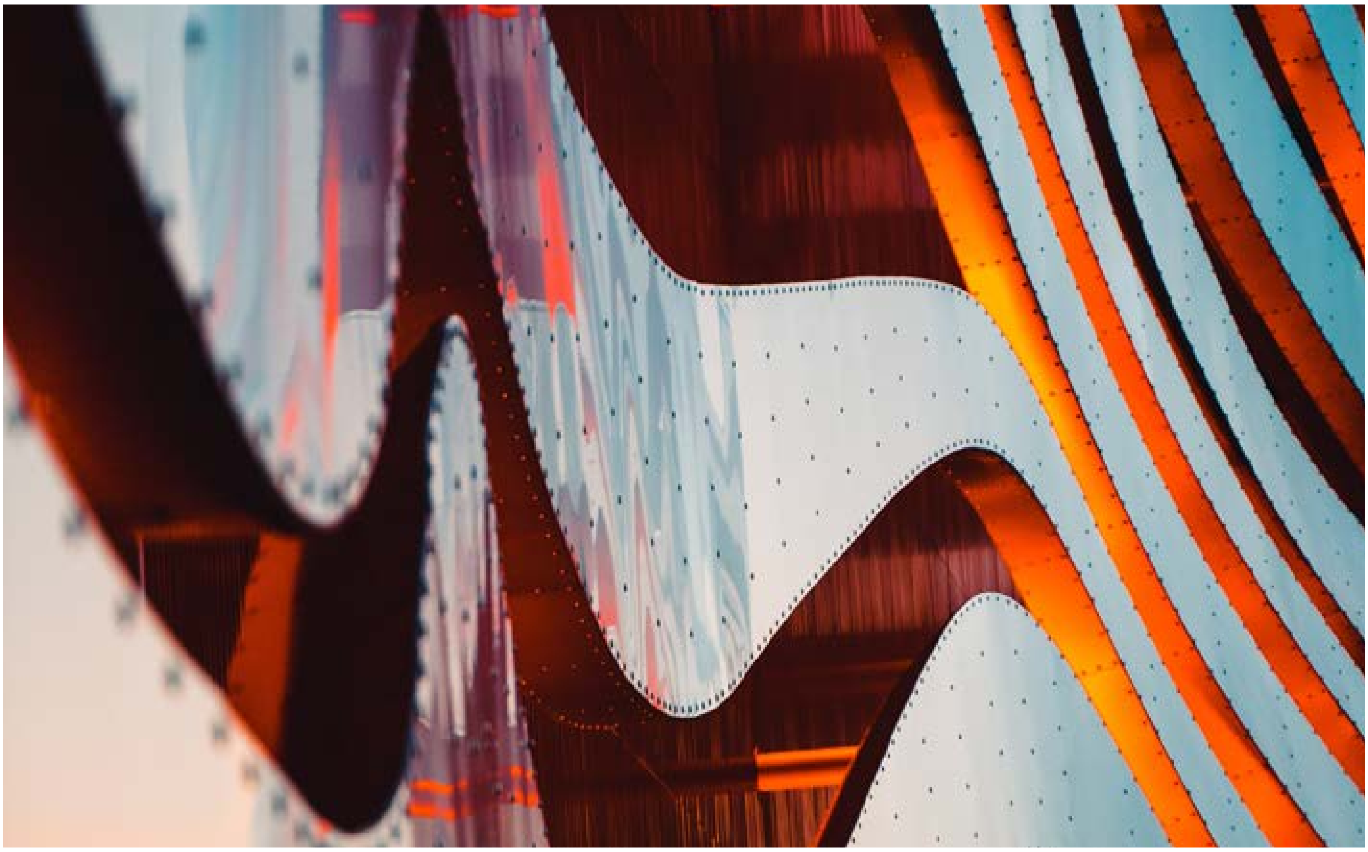
Acroud is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. Financial risks are related to factors such as exchange rates, interest rates, liquidity and credit. Risk management within the Acroud Group is aimed at identifying, 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, 17 February 2022

BOARD AND CEO

Henrik Kvick
Chairman

Kim Mikkelsen
Director

Peter Åström
Director

Jonas Strömberg
Director

Maria Andersson Grimaldi
Director

Robert Andersson
President and CEO

For further information, please contact

Robert Andersson, President and CEO
Mobile: +356 9999 8017
E-mail: robert.andersson@acroud.com

Roderick Attard, CFO
Mobile: +356 7925 4722
E-mail: roderick.attard@acroud.com

Forthcoming report dates

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 17th February 2022 at 10.00 a.m. Swedish time. CEO Robert Andersson and CFO Roderick Attard will present the report in English. You can follow the presentation here https://tv.streamfabriken.com/acroud-q4-2021

To join the conference call, ring:

Sweden:	+46856642692
UK:	+443333009031
US:	+16319131422 + PIN: 81706302#

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

Q4 2021

FINANCIAL

STATEMENTS

Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/10/2021 31/12/2021	01/10/2020 31/12/2020	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Revenue notes 2, 3	6 540	2 497	24 767	11 630
Total revenue	**6 540**	**2 497**	**24 767**	**11 630**
Capitalised work for own account	305	286	1 125	1 031
Other external expenses	(4 981)	(1 085)	(16 937)	(3 908)
Personnel expenses	(1 115)	(854)	(4 458)	(3 689)
Other operating income	68	472	179	510
Other operating expenses	-	(24)	-	(82)
EBITDA	**817**	**1 292**	**4 676**	**5 492**
Depreciation/amortisation	(543)	(187)	(1 920)	(1 155)
Operating profit (EBIT)	**274**	**1 105**	**2 756**	**4 337**
Interest and similar income	1	-	1	584
Interest and similar expenses	(622)	(626)	(2 493)	(2 660)
Other financial items	156	(1 074)	374	(729)
Profit/loss from financial items	**(465)**	**(1 700)**	**(2 118)**	**(2 805)**
Profit before tax	(191)	(595)	638	1 532
Tax on profit for the period	(165)	(90)	81	(276)
Profit for the period	**(356)**	**(685)**	**719**	**1 256**
Earnings per share (EUR)	(0.003)	(0.008)	0.006	0.016
Earnings per share after dilution (EUR)	(0.003)	(0.008)	0.006	0.016
Other comprehensive income, income and expenses recognised directly in equity				
Exchange differences on translation of foreign operations	12	(18)	21	(37)
Other comprehensive income for the period	12	(18)	21	(37)
Total comprehensive income for the period	**(344)**	**(703)**	**740**	**1 219**

Consolidated Statement of Financial Position

Amounts in kEUR	31/12/2021	31/12/2020
Assets		
Non-current assets		
Goodwill	51 080	42 856
Other intangible assets	17 660	7 392
Right-of-use assets	62	214
Property, plant and equipment	143	143
Investment in associate	1	-
Other non-current receivables	95	106
Deferred tax assets	293	20
Total non-current assets	**69 334**	**50 731**
Current assets		
Trade receivables	1 716	1 496
Other receivables	2 161	589
Prepayments and accrued income	827	131
Cash and cash equivalents	2 202	8 114
Total current assets	**6 906**	**10 330**
Total assets	**76 240**	**61 061**
Equity and liabilities		
Equity note 4	**41 947**	**36 422**
Non-current liabilities		
Borrowing note 5	-	21 595
Deferred tax liabilities	1 531	104
Liabilities to Parent Company	-	387
Other liabilities	9 460	-
Lease liabilities	-	62
Total non-current liabilities and provisions	**10 991**	**22 148**
Current liabilities.		
Borrowing note 5	19 247	-
Liabilities to Parent Company	394	-
Trade Payables	942	336
Tax liabilities	299	68
Other liabilities	590	1 077
Lease liabilities	62	151
Accruals and deferred income	1 768	859
Total current liabilities	**23 302**	**2 491**
Total equity and liabilities	**76 240**	**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**
Opening equity, 1 Oct 2021	3 280	24 955	2 671	11 359	42 265
Share-based payments	-	26	-	-	26
Comprehensive income for the period	-	-	12	(356)	(344)
Closing equity, 31 Dec 2021	**3 280**	**24 981**	**2 683**	**11 003**	**41 947**

Consolidated Cash Flow Statement

Amounts in kEUR	01/10/2021 31/12/2021	01/10/2020 31/12/2020	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities				
Profit before tax	(191)	(595)	638	1 532
Adjustments for non-cash items not included in operating activities				
Depreciation and amortisation of assets	543	187	1 920	1 155
Exchange (gains)/losses on financial receivables and liabilities	(163)	1 074	(375)	729
Costs for share-based programmes	26	(11)	90	(53)
(Gain)/loss on sale of other assets	(75)	(4)	(175)	(41)
Provisions for restructuring	-	16	90	219
Interest and similar expenses	622	626	2 493	2 660
Interest and similar income	(1)	-	(1)	(584)
Tax paid	(140)	-	(1 092)	-
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	500	(283)	(468)	177
Increase (+)/Decrease (-) in operating liabilities	(479)	(52)	161	(29)
Cash flow from operating activities	**642**	**958**	**3 281**	**5 765**
Investing activities				
Acquisition of shares in Group companies, net of cash acquired	(195)	(2)	(3 860)	(2)
Acquisition of property, plant and equipment	(27)	(3)	(57)	(26)
Acquisition of intangible assets	(868)	(1 046)	(2 339)	(2 586)
Sale of other assets	389	57	992	320
Cash flow from investing activities	**(701)**	**(994)**	**(5 264)**	**(2 294)**
Financing activities				
Proceeds from issue of own shares	-	8 850	-	8 850
Issue expenses	-	(501)	(32)	(1 616)
Received and repaid option proceeds	-	-	-	(17)
Repayment of borrowings	(571)	(2 018)	(2 309)	(7 352)
Interest paid	(368)	(433)	(1 552)	(1 850)
Repayment of lease liabilities	-	-	-	(99)
Cash flow from financing activities	**(939)**	**5 898**	**(3 893)**	**(2 084)**
Cash flow for period	**(998)**	**5 862**	**(5 876)**	**1 387**
Cash & cash equivalents at beginning of period	3 216	2 110	8 114	6 771
Exchange differences	(27)	101	(89)	(108)
Reclassification from cash & cash equivalents to other current financial assets	11	41	53	64
Cash & cash equivalents at end of period	**2 202**	**8 114**	**2 202**	**8 114**

Income Statement – Parent Company

Amounts in kEUR	01/10/2021 31/12/2021	01/10/2020 31/12/2020	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Revenue	16	16	64	352
Total Revenue	**16**	**16**	**64**	**352**
Other external expenses	(125)	(201)	(780)	(564)
Personnel expenses	(6)	(7)	(20)	(403)
Other operating expenses	-	(11)	-	(24)
Other operating income	2	-	3	1
EBITDA	**(113)**	**(203)**	**(733)**	**(638)**
Depreciation/amortisation	-	-	-	-
Operating profit/(loss)	**(113)**	**(203)**	**(733)**	**(638)**
Profit/loss from financial items				
Profit/loss from investments in Group companies	910	-	3 550	5 000
Other interest and similar income	-	10	-	617
Interest and similar expenses	(602)	(618)	(2 415)	(2 627)
Other financial items	155	(1 071)	382	(714)
Profit after financial items	**350**	**(1 882)**	**784**	**1 638**
Tax on profit for the period	212	-	212	-
Profit for the period	**562**	**(1 882)**	**996**	**1 638**

Balance Sheet – Parent Company

Amounts in kEUR	31/12/2021	31/12/2020
Assets		
Total non-current assets	52 730	33 898
Total current assets	1 225	7 686
Total assets	**53 955**	**41 584**
Equity and liabilities		
Equity	24 287	18 505
Total non-current liabilities	9 460	21 595
Total current liabilities	20 208	1 484
Total equity and liabilities	**53 955**	**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 200 million (EUR 19 247 thousand based on 31 December 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 December 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.

Critical Accounting Estimates

In 2021, management has continued to conduct goodwill and intangibles impairment, broken down into three separate tests/CGUs. Growth and underlying assumptions over the projected period were reviewed in line with the Group's strategic direction. The recoverable amount of the iGaming Affiliation is sensitive to reasonably ambitious growth assumptions and deviations from growth plan could result in an impairment.

2. Organic revenue growth

Acroud's long-term target is organic revenue growth in the range of 15 to 25%. Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth.

The time when growth initiatives bear fruit may vary, which means that organic growth may fluctuate over time. Acroud's definition of organic growth is based on net sales compared with the previous period, excluding acquisitions in accordance with IFRS 3 (in the last 12 months), divestments and exchange rate movements.

Organic revenue growth - bridge Q4 2021

Amounts in kEUR	01/10/2021 31/12/2021 Growth, %	01/10/2021 31/12/2021 Absolute Figures	01/10/2020 31/12/2020 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	**161.9%**	**6 540**	**2 497**	**4 043**
Adjustment for acquired and divested/discontinued operations	(171.5%)	(4 283)	-	(4 283)
Total Growth in EUR, excluding acquired and divested/discontinued operations	**(9.6%)**	**2 257**	**2 497**	**(240)**
Adjustment for constant currency	(1.5%)	-	43	(43)
Total organic revenue growth	**(11.1%)**	**2 257**	**2 540**	**(283)**

Organic revenue growth - bridge Q4 2020

Amounts in kEUR	01/10/2020 31/12/2020 Growth, %	01/10/2020 31/12/2020 Absolute Figures	01/10/2019 31/12/2019 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	**(24.0%)**	**2 497**	**3 285**	**(788)**
Adjustment for acquired and divested/discontinued operations	0.0%	-	-	-
Total Growth in EUR, excluding acquired and divested/discontinued operations	**(24.0%)**	**2 497**	**3 285**	**(788)**
Adjustment for constant currency	0.3%	-	(13)	13
Total organic revenue growth	**(23.7%)**	**2 497**	**3 272**	**(775)**

3. Revenue

The Group's revenue for Q4 2021 and Q4 2020 was distributed as follows:

Amounts in kEUR	01/10/2021 31/12/2021	01/10/2020 31/12/2020	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Revenue by vertical within iGaming Affiliate Segment				
Casino	1 482	1 599	6 208	8 234
Poker	639	644	2 721	2 428
Sports Betting	544	206	2 084	750
Other affiliation verticals	35	48	177	218
Total revenue in iGaming Affiliate Segment	**2 700**	**2 497**	**11 190**	**11 630**
Revenue by vertical within SaaS				
Matching Visions	3 316	-	11 552	-
Voonix	232	-	826	-
Other	292	-	1 199	-
Total revenue in SaaS	**3 840**	**-**	**13 577**	**-**
Total Group revenue	**6 540**	**2 497**	**24 767**	**11 630**

Revenue attributable to Sweden in Q4 2021 amounted to 8% (2%). The corresponding amount for the full year 2021 was 6% (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 26 thousand for Q4 2021 and EUR 90 thousand for Jan-Dec 2021.

5. Borrowing

Borrowing consists of a bond loan amounting to SEK 200 (223) 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 2021, SEK 23.5 million further bonds were amortised on the market at a nominal amount of SEK 5.875 million per quarter.

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

Amounts in kEUR	31/12/2021	31/12/2020
Corporate bond		
Nominal amount	19 487	22 258
Prepaid transaction costs	(240)	(663)
Carrying amount	**19 247**	**21 595**

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. The Company's board is currently in the process of appointing financial and legal advisors to evaluate various refinancing alternatives.

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	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Net assets/Shares in subsidiaries pledged as collateral for bonds	**49 611**	**49 584**	**31 581**	**31 581**

To provide collateral for borrowing related to the acquisition of the subsidiary HLM Malta Limited, the Parent Company has pledged shares in specific subsidiaries. For the Parent Company, the value of the pledged shares comprises the cost, while for the Group the value comprises total net assets, which would disappear from the Group if the subsidiary shares were foreclosed.

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. Currency effects relating to Financing activities in Q1 2021 were favorable amounting to EUR 328 (1 319) thousand.

Q3 2021 was only affected by EUR 111 thousand favourable effect attributable to financing activities. Q4 2021 was affected by non-recurring costs of EUR 245 in connection with restructuring, and favourable currency effects of EUR 153 thousand attributable to financing activities.

Amounts in kEUR	Reported income statement	Items affecting comparability	Adjusted for items affecting	Reported income statement	Items affecting comparability	Adjusted for items affecting	Reported income statement	Items affecting comparability	Adjusted for items affecting	Reported income statement	Items affecting comparability	Adjusted for items affecting
	01/10/2021 - 31/12/2021			01/10/2020 - 31/12/2020			**01/01/2021 - 31/12/2021**			01/01/2020 - 31/12/2020		
Other external expenses	(4 981)	88	(4 893)	(1 085)	111	(974)	(16 937)	379	(16 558)	(3 908)	478	(3 430)
Personnel expenses	(1 115)	157	(958)	(854)	29	(825)	(4 458)	340	(4 118)	(3689)	221	(3 468)
Other operating income	68	-	68	472	(409)	63	179	-	179	510	(409)	101
EBITDA	**817**	**245**	**1 062**	**1 292**	**(269)**	**1 023**	**4 676**	**719**	**5 395**	**5 492**	**290**	**5 782**
Depreciation/amortisation and impairment	(543)	-	(543)	(187)	-	(187)	(1 920)	-	(1 920)	(1 155)	503	(652)
Operating profit (EBIT)	**274**	**245**	**519**	**1 105**	**(269)**	**836**	**2 756**	**719**	**3 475**	**4 337**	**793**	**5 130**
Interest and similar income	1	-	1	-	-	-	1	-	1	584	-	584
Interest and similar expenses	(622)	-	(622)	(626)	-	(626)	(2 493)	-	(2 493)	(2 660)	240	(2 420)
Other financial items	156	(153)	3	(1 074)	1 048	(26)	374	(374)	-	(729)	703	(26)
Net profit before tax	**(191)**	**92**	**(99)**	**(595)**	**779**	**184**	**638**	**345**	**983**	**1 532**	**1 736**	**3 268**
Net profit	**(356)**	**92**	**(264)**	**(685)**	**779**	**94**	**719**	**345**	**1 064**	**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)	2.9
Share issue and allotment	2.4
Contingent consideration, discounted at present value	5.8
Total purchase consideration	**11.1**
Trademarks	(1.7)
Developed technology	(1.3)
Customer relationships	(2.3)
Deferred tax liability	0.4
Net assets on subsidiaries' on-balance-sheet	(0.8)
Goodwill	**5.4**

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	Oct - Dec 2021				Oct - Dec 2020			
	iGaming Affiliation	SaaS	Unallocated	Total	iGaming Affiliation	SaaS	Unallocated	Total
Revenue	2 700	3 840	-	6 540	2 497	-	-	2 497
Other external expenses	(1 600)	(3 308)	(73)	(4 981)	(897)	-	(188)	(1 085)
Personnel expenses	(673)	(289)	(153)	(1 115)	(730)	-	(124)	(854)
Other operating income / (costs)	368	4	1	373	744	-	(10)	734
EBITDA	**795**	**247**	**(225)**	**817**	**1 614**	**-**	**(322)**	**1 292**
Depreciation/Amortisation	(399)	(144)	-	(543)	(187)	-	-	(187)
EBIT	**396**	**103**	**(225)**	**274**	**1 427**	**-**	**(322)**	**1 105**
Interest and similar income	-	-	1	1	-	-	-	-
Interest and similar expenses	-	-	(622)	(622)	-	-	(626)	(626)
Other financial assets	-	-	156	156	-	-	(1 074)	(1 074)
Profit/loss before tax	**396**	**103**	**(690)**	**(191)**	**1 427**	**-**	**(2 022)**	**(595)**
Tax on profit for the year	-	-	(165)	(165)	-	-	(90)	(90)
Profit for the year	**396**	**103**	**(855)**	**(356)**	**1 427**	**-**	**(2 112)**	**(685)**
Material non-cash items								
Net foreign exchange gain/(loss)	-	-	155	155	4	-	-	4
Segment Assets	62 208	12 927	-	75 135	53 405	-	-	53 405
Unallocated Assets	-	-	1 105	1 105	-	-	7 656	7 656
Total assets	**62 208**	**12 927**	**1 105**	**76 240**	**53 405**	**-**	**7 656**	**61 061**
Segment Liabilities	(4 977)	(7 627)	-	(12 604)	(2 022)	-	-	(2 022)
Unallocated Liabilities	-	-	(21 689)	(21 689)	-	-	(22 617)	(22 617)
Total Liabilities	**(4 977)**	**(7 627)**	**(21 689)**	**(34 293)**	**(2 022)**	**-**	**(22 617)**	**(24 639)**

Amounts in kEUR	Jan - Dec 2021				Jan - Dec 2020			
	iGaming Affiliation	SaaS	Unallocated	Total	iGaming Affiliation	SaaS	Unallocated	Total
Revenue	11 190	13 577	-	24 767	11 630	-	-	11 630
Other external expenses	(4 831)	(11 459)	(647)	(16 937)	(3 390)	-	(518)	(3 908)
Personnel expenses	(2 829)	(1 096)	(533)	(4 458)	(3 050)	-	(639)	(3 689)
Other operating income / (costs)	1 219	82	3	1 304	1 483	-	(24)	1 459
EBITDA	**4 749**	**1 104**	**(1 177)**	**4 676**	**6 673**	**-**	**(1 181)**	**5 492**
Depreciation/Amortisation	(1 364)	(556)	-	(1 920)	(1 155)	-	-	(1 155)
EBIT	**3 385**	**548**	**(1 177)**	**2 756**	**5 518**	**-**	**(1 181)**	**(4 337)**
Interest and similar income	-	-	1	1	-	-	584	584
Interest and similar expenses	-	-	(2 493)	(2 493)	-	-	(2 660)	(2 660)
Other financial assets	-	-	374	374	-	-	(729)	(729)
Profit/loss before tax	**3 385**	**548**	**(3 295)**	**638**	**5 518**	**-**	**(3 986)**	**1 532**
Tax on profit for the year	-	-	81	81	-	-	(276)	(276)
Profit for the year	**3 385**	**548**	**(3 214)**	**719**	**5 518**	**-**	**(4 262)**	**1 256**
Material non-cash items								
Net foreign exchange gain/(loss)	(9)	-	382	373	15	-	714	729
Segment Assets	62 208	12 927	-	75 135	53 405	-	-	53 405
Unallocated Assets	-	-	1 105	1 105	-	-	7 656	7 656
Total assets	62 208	12 927	1 105	76 240	53 405	-	7 656	61 061
Segment Liabilities	(4 977)	(7 627)	-	(12 604)	(2 022)	-	-	(2 022)
Unallocated Liabilities	-	-	(21 689)	(21 689)	-	-	(22 617)	(22 617)
Total Liabilities	(4 977)	(7 627)	(21 689)	(34 293)	(2 022)	-	(22 617)	(24 639)

Key figures and definitions

Key figures, Group

	01/10/2021 31/12/2021	01/10/2020 31/12/2020	01/01/2021 31/12/2021	01/01/2020 31/12/2020
EBITDA margin	12%	52%	19%	47%
Adjusted EBITDA margin	16%	41%	22%	50%
Operating margin	4%	44%	11%	37%
Revenue Growth	162%	(24%)	113%	(19%)
Organic growth	(11%)	(24%)	(13%)	(18%)
Equity ratio	55%	60%	55%	60%
Return on equity	(1%)	(2%)	2%	4%
Equity per share (EUR)	0.32	0.32	0.32	0.32
Number of registered shares at end of period	129,659,355	113 950 153	129,659,355	113 950 153
Weighted average number of shares before dilution	129,659,355	90 609 313	127 024 404	79 386 525
Weighted average number of shares after dilution	129,659,355	90 609 313	127 024 404	79 386 525
Earnings per share (after dilution)	(0.003)	(0.008)	0.006	0.016
Adjusted earnings per share (after dilution)	(0.002)	0.001	0.008	0.038
Market price per share at end of period (SEK)	2.33	3.02	2.33	3.02
EPS growth (%)	(64%)	(194%)	(64%)	(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.

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. In Matching Visions, RGUs represent the number of active affiliate companies forming part of Acroud's network during the reporting period. In SaaS vertical, RGUs represent the number of active clients to whom subscriptions were sold during the reporting period.
Organic revenue growth	Revenue from affiliate operations compared with the previous period, excluding acquisitions and divestments in accordance with IFRS 3 (last 12 months) and exchange rate movements.
Earnings per share	Profit/loss after tax divided by the average number of shares.
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.