

Q1 2023

INTERIM REPORT

Q1 2023

A quarter with
substantial NDC growth



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ACROUD

A quarter with
substantial NDC growth

First quarter 2023

- Revenue amounted to EUR 9 300 (7 003) thousand, corresponding to a growth of 33% and an organic growth of -21.7%.
- EBITDA amounted to EUR 2 114 (2 248) thousand, decreased by 6% year-on-year. Adjusted EBITDA (before items affecting comparability) was EUR 2 141 (1 781) thousand increasing by 20% year-on-year.
- Profit after tax was EUR -67 (1 184) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -181 (551) thousand.
- Earnings per share after dilution amounted to EUR -0.0003 (0.009). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.001 (0.004).
- New Depositing Customers (NDC) amounted to 92 659 (33 538) increasing by 176% (6%).
- Cash flow from operating activities amounted to EUR 1 004 (1 484) thousand.

Financial highlights after the quarter

- Revenue in April 2023 amounted to EUR3.6 million, representing a year-on-year increase of 51%.

Important events in the quarter

On 10th March 2023, Tricia Vella was appointed as CFO for Acroud. Tricia has been working at Acroud since 2019 and has previously held the position of Head of Finance. She also has an audit background, having worked in a big-4 auditing firm for seven years.

Key Figures	JAN - MAR			JAN-DEC		
	2023	2022	Y/Y%	2022	2021	Y/Y%
EUR thousands						
Revenue	9 300	7 003	33%	30 905	24 767	25%
Revenue Growth, %	33%	26%	7pp	25%	113%	(88pp)
Organic Growth, %	(21.7%)	15.5%	(37.2pp)	7%	(12.6%)	19.6pp
EBITDA	2 114	2 248	(6%)	7 890	4 676	69%
EBITDA margin, %	23%	32%	(9pp)	26%	19%	7pp
Adjusted EBITDA	2 141	1 781	20%	7 573	5 395	40%
Adjusted EBITDA margin, %	23%	25%	(2pp)	25%	22%	3pp
Profit after tax	(67)	1 184	(106%)	(18 421)	718	(2 662%)
Earnings per share (after dilution)	(0.0003)	0.009	(103%)	(0.101)	0.006	(1 783%)
Adjusted Profit after tax	(181)	551	(133%)	1 516	1 063	43%
Adjusted Earnings per share (after dilution)	(0.001)	0.004	(125%)	0.008	0.008	-
Net Debts / Adjusted EBITDA rolling 12 months)	2.3	3.0	23%	2.5	3.2	22%
New Depositing Customers (NDCs)	92 659	33 538	176%	186 550	133 195	40%

pp = percentage points

CEO Comments

A quarter with substantial NDC growth

The first quarter has been very much business as usual while tuning in our new addition of the Media unit. While we had a revenue loss of 7% in group revenue when compared to Q4 2022, we saw a continued growth in NDCs (New Depositing Customers) with a new all-time-high record for any single quarter.

The decrease in revenue was primarily a result of unfavorable sports results in February. Had it not been for the football results last week of February, we would have delivered growth in revenue and profit respectively. These clusters of unlikely sports results tend to even out over time.

On the flip side, we are pleased to see that April revenue was EUR 3.6 million, which corresponds to an increase of 51% compared to the same month last year.

We have been addressing the performance within the Casino SEO business such as focusing much more on the revenue share model. This will over time lead to increased stability in revenue even if it initially hits the top line. The everchanging SEO algorithms is always a challenge and with the rapid AI development, we expect to see players relying on traditional SEO to face tougher times. This is yet another evidence that our strategy to diversify our offer was right as we have made ourselves less dependent and less vulnerable in this area.

The positive trend of NDCs continued during the quarter where we got a new record of 92,659. I am very pleased with this development as it increases future recurring revenues. This favourable development is the main result of the strong performance in our 'Paid Media Partnerships' which we have acquired in the last quarter of 2022.

Revenues generated from the SaaS business were down by 11% when compared to last quarter and down by 19% when compared to same quarter last year. This decrease is coming from the revenue of the network model, which is highly volatile to the relationship between low and high margin revenue deals. Despite this decrease, EBITDA from the SaaS business has increased by 10% over Q4 2022, thanks to better cost control. quarters.

The company's organization has for some time been recast to a more decentralized model in order to ensure that our subsidiaries continue to be run by the founders.



We also believe that increased decentralization contributes to a positive company culture and to developing new talent within the company. However, the main overall aim is to become more cost effective and to allocate resources where we see the best return per euro spent.

We continue our journey to deliver growth, profitability and shareholder value.

And with this said, I am very much looking forward to the coming quarters.

Join The Ride!

A handwritten signature in blue ink, appearing to be "Robert Andersson". The signature is fluid and stylized, with a long horizontal stroke at the end.

Robert Andersson
17 May 2023

Group development

Revenue

Revenue for the first quarter amounted to EUR 9 300 (7 003) thousand, an increase of 33% when compared to Q1 2022. This increase is mainly driven by the revenue of the latest acquisition of Acroud Media in Q4 2022. Revenues in the iGaming Affiliation business accounted for 65% (42%) of total revenue and revenues in the SaaS Segment accounted for 35% (58%) of total revenue. The number of New Depositing Customers (NDCs) in Q1-2023 delivered to our customers continued to increase, reaching 92 659 (33 538) NDCs. The 176% year-on-year growth in the NDC development is led by the iGaming affiliation including the latest acquisition. NDCs delivered by network-based SaaS business have increased slightly year-on-year and quarter-on-quarter.

Group Revenue Development



Costs

Total operating expenses for Q1 2023 totalled EUR 7 186 thousand compared to EUR 4 755 in quarter one previous year. The increase is mainly attributable to an increase in paid media costs in relation to the acquisition of Acroud Media Ltd in Q4 2022, partly net off by a decrease in affiliate costs in the SaaS segment. Personnel costs increased slightly when compared to the same quarter last year, amounting to EUR 989 (948) thousand. The increase in personnel costs is also attributable to the new acquisition. When compared to Q4 2022, personnel expenses excluding items affecting comparability have increased by 4% from EUR 942 thousand in Q4 2022 to EUR 979 in Q1 2023. Other external expenses (EUR 6 154 thousand), excluding items affecting comparability, have increased year-on-year due to the introduction of significant paid media costs led by the acquisition. When compared to Q4 2022, other external expenses have decreased from EUR 6 511 thousand to EUR 6 154 thousand which is mainly a result of a decrease in affiliate costs in the SaaS segment. This is in line with the decrease in revenue in the same segment. Items affecting comparability in the first quarter of 2023 amounted to EUR 27 thousand which relate to expenses in relation to the acquisition and termination benefits.

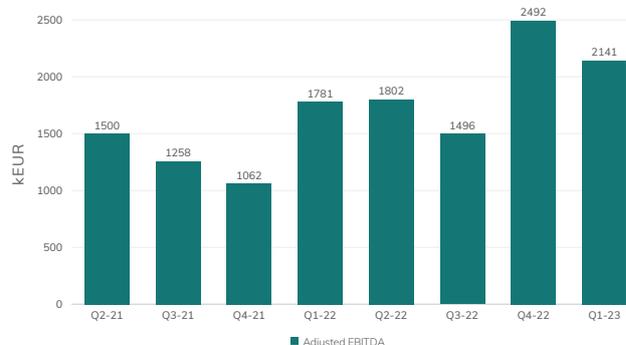
Group NDCs Development



Profitability

Adjusted earnings before interest, tax depreciation and amortisation (EBITDA) on a group level amounted to EUR 2 141 (1 781) thousand, resulting in an improvement of 20% year-on-year due to the acquisition made in 2022 and a decrease of 14% quarter-on-quarter which arises as a result of having a low February which was directly linked to the unfavorable sports results within sports betting. Profit after tax in the first quarter amounted to EUR -67 thousand (1 184). Adjusted for one-off costs relating to termination benefits, costs directly related to the new acquisition and currency effects related to the bond loan, the profit after tax amounted to EUR -181 (551) thousand. The decrease is a result of a lower EBITDA, higher amortisation costs and interest costs. Earnings per share (EPS) after dilution amounts to -0.0003 (0.009). Adjusted EPS after dilution amounts to -0.001 (0.004). Following the latest acquisition of Acroud Media Ltd, operating in the United Kingdom, the Group now operates with an effective tax rate of approximately 14-15%.

Adjusted EBITDA Development



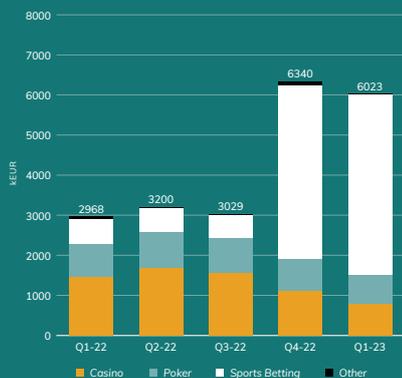
iGaming Affiliation

iGaming Affiliation revenues during Q1 2023 amounted to EUR 6 023 (2 968) thousand, representing an increase of 103% year-on-year year a 5% decrease quarter-on-quarter. Revenue growth is mainly driven by the latest acquisition generating a total revenue of EUR 3 819 thousand during the period. Excluding the acquisition, revenue decreased year-on-year by 26% as portrayed in the negative organic growth calculation (see note 2).

Revenue growth is happening as we continue diversifying our revenue streams and risk profile, even more so with the acquisition of Acroud Media Ltd and the introduction of the paid media business. Such business is supporting Acroud's expansion into the Sports Betting vertical, adding considerable recurring Revenue Share sportsbook revenue from some of the world's most prominent Sport Book providers. This aligns with Acroud's strategic agenda of creating a lower volatility profile with more stable revenue generation and profitability. It will further solidify the Company's efforts to develop a low-risk, high-growth business as the acquired assets leverage IMBC (Intelligent Media Buying Capabilities) rather than being dependent on SEO algorithms.

As communicated in the previous quarters, another initiative executed is the strategic move to Social- and Community-based Affiliation via the acquisition and expansion of The Gambling Cabin. Social- and Community-based Affiliation generated 9% (16%) of Q1-2023 Affiliation revenues. SEO affiliation business generated 28% of Q1-23 (82% in Q1-22) affiliation revenues whereas Paid Media business generated 63% of Q1-23 (2% in Q1-22) affiliation revenues.

Revenue Development
iGaming Affiliation Segment



EBITDA Development
iGaming Affiliation Segment



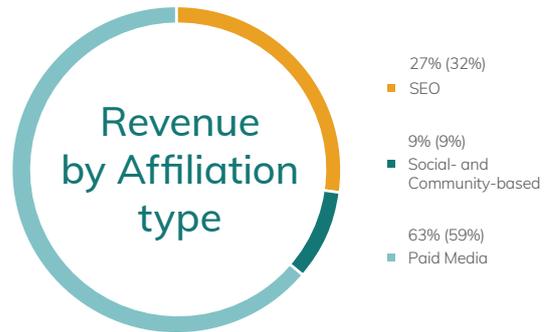
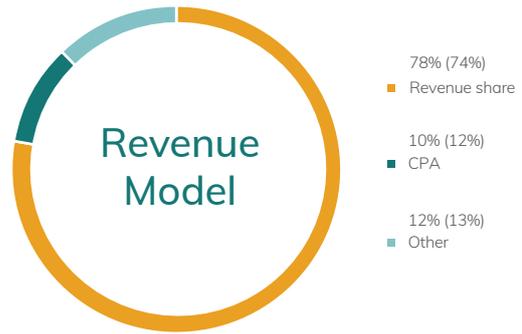
NDCs Development
iGaming Affiliation Segment



The iGaming segment has delivered a high number of New Depositing Customers (NDCs), reaching 76 917 (18 763) NDCs during Q1-23 representing a 12% increase quarter-on-quarter. We see continued high NDC numbers and expect to continue growing as the underlying KPIs on our sites show positive trends especially with the latest acquisition.

Revenue derived through revenue-sharing amounted to 78% (46% in Q1 2022) mainly driven from revenue derived through revenue-sharing contributed by Acroud Media Ltd during the period. This is aligned with Acroud's strategic agenda of creating a lower volatility profile with more stable revenue generation and provides the Company with long-term stability.

During Q1-23 iGaming affiliation EBITDA amounted to EUR 1 961 thousand, representing a decrease of 11% quarter-on-quarter. This is a result of having a low February which was directly linked to the unfavorable sports results within sports betting. EBITDA generated by the affiliation business during the quarter excluding one-off termination costs amounts to EUR 1 971 (1 480) thousand, representing a year-on-year increase of 33% mainly arising from the acquisition of Q4 2022. EBITDA margin (adjusted for one-off costs) during the Q1-2023 amounted to 33% and also remained in line with previous quarter and year-on-year.



SaaS

Acroud has two SaaS solutions as part of its product offering: Subscription-model and Network-model.

- The Subscription model offers pure SaaS products built specifically for other affiliates and content creators to track their operational KPIs performance with the goal of increasing their growth and profit potential.
- The Network model provides to affiliates and content creators a similar product as the Subscription model, plus access to a large pool of clients, deals and campaigns that would otherwise be out of their reach.

Revenue generated from the SaaS segment in Q1 2023 amounted to EUR 3 277 thousand. This represents a year on year decrease of 19% and a quarter on quarter decrease of 11%.

Revenue from the subscription-model saw a healthy increase of 23% over the same quarter last year while it remained in line with revenue recorded in Q4 2022. Revenue from the network model in Q1 2023 amounted to EUR 2 986 thousand.

This represents a 12% decrease over the previous quarter and a 21 % decrease over Q1 2022.

Despite the decrease in revenue, EBIDTA reported from the SaaS segment in Q1 2023 increased by 10% to EUR 464 thousand over Q4 2022. This equates to an EBIDTA margin of 14%, which is 3pp higher than the reported EBIDTA margin of Q4 2022.

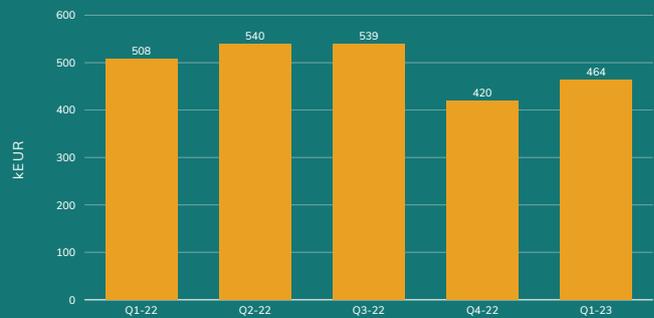
The number of New Depositing Customers (NDCs) delivered to customers by the SaaS segment in Q1 2023 increased by 7% over the same quarter last year to 15 742. This also represents a 2% increase over the 15 485 NDCs delivered in Q4 2022.

The number of Revenue Generating Units (RGUs), which measures the amount of clients serviced and billed by the SaaS segment during the first quarter of the year was 416 which is very much in line with the 419 RGUs reported in Q4 2022. RGUs increased by 4% over Q1 2022.

Revenue Development SaaS Segment



Adjusted EBITDA Development SaaS Segment



NDCs Development SaaS Segment



RGUs Development SaaS Segment



Financial position

Cash flow and investments

Cash flow from operating activities during the first quarter of 2023 amounted to EUR 1 190 (EUR 1 595) thousand, out of which EUR 186 (111) thousand were used to pay income tax. The decrease is mainly arising from a temporary negative working capital when compared to Q1 2022.

Cash flow from investing activities, excluding acquisitions, is limited as the Company's business model is not capital-intensive. This amounted to EUR -14 thousand in Q1 2023, compared with EUR 148 thousand during the same quarter last year. The difference is mainly resulting from the one-off divestment of Mortgage Loan LLC during Q1 2022 and also a decrease in the acquisitions of intangible assets which are mainly related to the development of our products, particularly in the iGaming business.

Cash flow from financing activities amounted to EUR -1 069 (-1 243) thousand in Q1 2023, which consisted primarily of bond interest payments of EUR -597 thousand compared to EUR -344 thousand in Q1 2022 (increase is related to a higher interest expense attributed to the new bond issue over the previous bond which was redeemed in 2022), no bond repayments as opposed to EUR -558 thousand during same quarter last year, dividends of EUR 401 thousand paid to a third party owning 40% of one of the Group's subsidiaries, Acroud Media Ltd (196 thousand in Q1 2022 to the same party owning 49% of Acroud Sports Ltd) and payments on lease liabilities of EUR 71 (150) thousand.

Liquidity and financial position

At the end of Q1 2023, the Group's interest-bearing net debt was EUR 18 577 thousand, compared with EUR 16 648 thousand in Q1 2022. The year-on-year increase in the interest-bearing net debt is mainly attributable to an increase in lease liabilities and accrued interest on the newly issued bond. Acroud's current gross debt amounts to SEK 236 million, of which the bond amounts to SEK 218 million. Converted using the closing rate, the bond loan amounts to EUR 18 824 thousand.

As of 31 March 2023, the net debt/adjusted EBITDA ratio is 2.3x which is already lower than Acroud's long-term target of a maximum net interest bearing debt/adjusted EBITDA ratio of 2.5x over time. During 2023 and beyond, the Company will continue its efforts to maintain this net debt/EBITDA ratio.

As at end of Q1 2023, the Company had total provisions of EUR 25 235 (9 591) thousand for potential additional consideration payments in relation to acquisitions. The main increase when compared to the same quarter last year is in relation to the acquisition of Acroud Media Ltd.

The bond loan outstanding at the end of the reporting period is due for payment in July 2025; it is therefore reported under non-current liabilities in the balance sheet in this interim report.

During the second quarter of 2022, Acroud has successfully placed SEK 225 million of senior secured floating rate bonds to investors in Europe and has also successfully completed early redemption of the old bond during July 2022. The translation effect of converting the bond loan and certain cash proceeds from SEK to EUR at the end of Q1 2023 was EUR 260 (168) thousand, which positively impacted net financial items. The Company's cash and cash equivalents at the end of Q1 2023 amounted to EUR 2 332 (2 607) thousand.

The equity ratio was 30 (56) percent, and equity was EUR 23 766 (42 976) thousand on 31 March 2023. The Company conducts quarterly impairment testing to assess whether there is any goodwill impairment. Impairment testing at the end of Q1 2023 did not identify any goodwill impairment.

Financial forecast and targets

In May 2022, the Board of Acroud has set new financial objectives for financial years 2023 - 2025:

Organic EBITDA growth for 2023 - 2025

Acroud's target is to continue growing EBITDA organically by, on average, 20% annually during the financial years 2023 to 2025. Acroud aims to grow its revenue organically at an efficient cost base to ensure consistent and sustainable EBITDA growth.

Capital structure

Organic EBITDA growth is to be achieved at low financial risks. Acroud's financial target is to decrease the net-interest bearing debt/adjusted EBITDA to 2.5x or lower by December 2025.

Dividend policy

Acroud will prioritise growth through organic growth initiatives and will make optimisation of the capital structure rather than dividends its priority.

Overview of outcomes of financial targets

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

Period	Organic EBITDA Growth	Capital structure
Jan-Mar 2023	-53%	2.3

Other information

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 Premier Growth Market since June 2018. The Group's financing is arranged in the Parent Company via a bond, which is registered on Nasdaq Stockholm's Corporate Bond list. In Q1-23, the Parent Company received dividends from subsidiaries amounting to EUR 0.9 (0.7) million.

Relevant risks and uncertainties

Acroud is exposed to a number of business and financial risks. 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 16, 28 and 66-68 of the 2022 annual report.

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.

Share Capital

Share capital on 31 March 2023 amounted to EUR 3 450 thousand divided into 136 370 764 shares, distributed as shown below. 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 March 2023 was 1 736. An employee share option program was launched in March 2021. See note 5 for additional information.

Name	No. of shares	Ownership, %
Trottholmen AB	57,390,981	42.08%
Strategic Investment A/S (JPM Chase)	24,005,000	17.60%
Six Sis AG	8,954,501	6.57%
RIAE Media Ltd	8,611,014	6.31%
Swedishsantas Media AB	3,925,000	2.88%
Byggnadsaktiebolaget Westnia	3,104,407	2.28%
Flise Invest APS	2,799,788	2.05%
Gary Gillies	1,700,000	1.25%
Avanza Pension	1,522,233	1.12%
Clearstream Banking S.A.	1,514,211	1.11%
Strunge Invest APS	1,430,308	1.05%
Saxo Bank	1,392,490	1.02%
Nordnet Pensionsförsäkring AB	1,374,761	1.01%
Trading House Scandinavia	1,176,400	0.86%
Bank Julius Baer & Co Ltd	1,111,111	0.81%
Other shareholders	16,358,559	12.00%
TOTAL	136,370,764	100.00%

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 May 2023

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

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

Interim report April-June 2023: 10 August 2023
Interim report July-September 2023: 9 November 2023

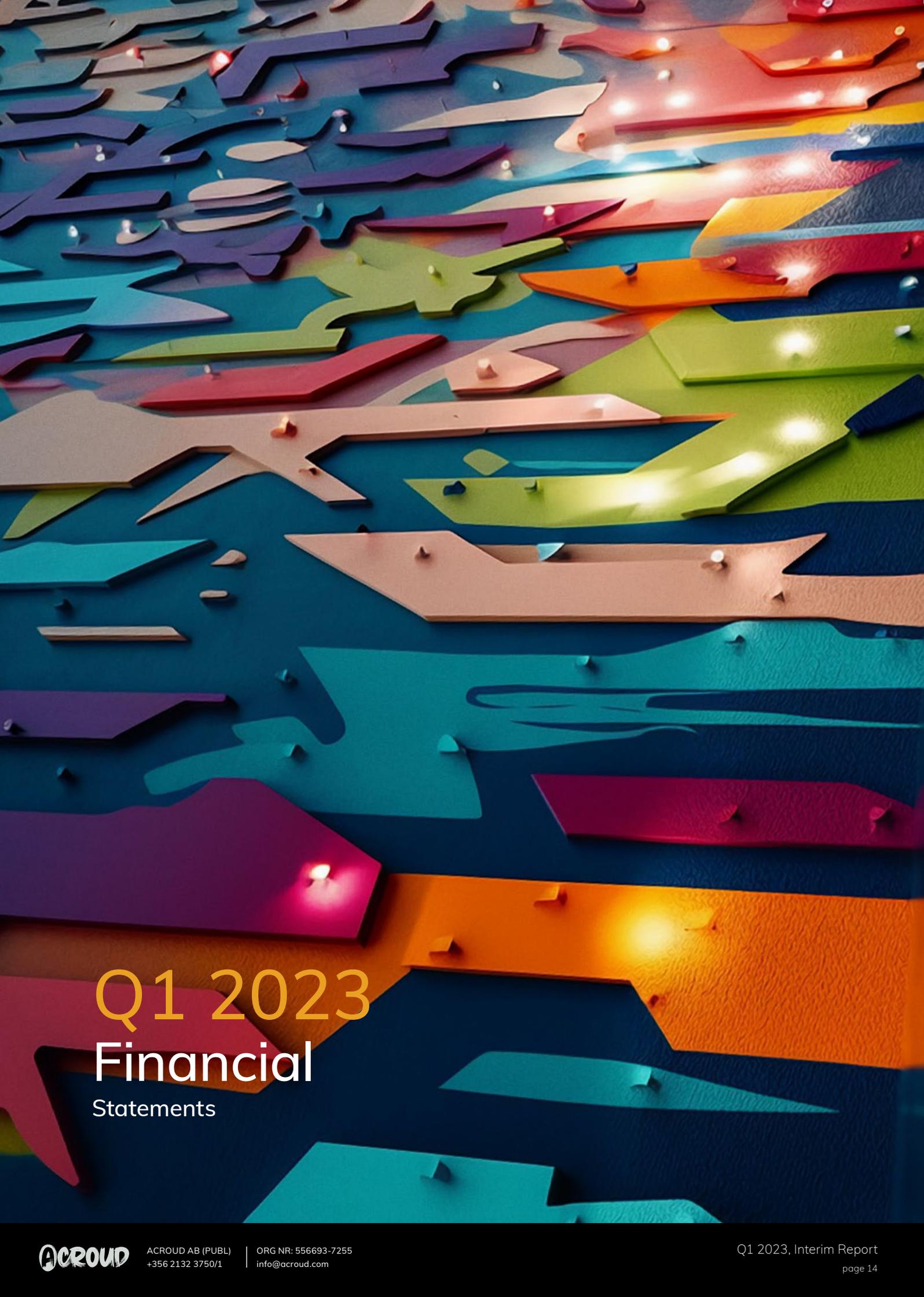
Presentation for investors, analysts and media

A live webcast will be held on 17th May 2023 at 10.00 a.m. Swedish time.
CEO Robert Andersson and CFO Tricia Vella will present the report in English.
You can follow the presentation here: <https://ir.financialhearings.com/acroud-q1-2023>

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.



Q1 2023

Financial

Statements

Financial Report

Consolidated Statement of Comprehensive Income

Amounts in kEUR	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Revenue (notes 2, 3)	9 300	7 003	30 905
Total revenue	9 300	7 003	30 905
Capitalised work for own account	7	393	836
Other external expenses	(6 171)	(4 629)	(20 491)
Personnel expenses	(989)	(948)	(3 675)
Other operating income	-	474	476
Other operating expenses	(33)	(45)	(161)
EBITDA	2 114	2 248	7 890
Depreciation/amortisation	(1 139)	(567)	(2 903)
Impairment of goodwill and intangible assets (note 9)	-	-	(18 000)
Operating profit/(loss) (EBIT)	975	1 681	(13 013)
Interest and similar income	3	5	14
Interest and similar expenses	(1 072)	(585)	(3 805)
Other financial items	209	168	1 884
Earn out revaluation (note 9)	-	-	(2 932)
Profit/(loss) from financial items	(860)	(412)	(4 839)
Profit/(loss) before tax	115	1 269	(17 852)
Tax on profit for the period	(182)	(85)	(569)
Profit/(loss) for the period	(67)	1 184	(18 421)
Earnings per share (EUR)	(0.0005)	0.009	(0.141)
Earnings per share after dilution (EUR)	(0.0003)	0.009	(0.101)
Other comprehensive income, income and expenses recognised directly in equity			
Exchange differences on translation of foreign operations	(8)	14	(97)
Other comprehensive income/(loss) for the period	(8)	14	(97)
Total comprehensive income/(loss) for the period	(75)	1 198	(18 518)

Consolidated Statement of Financial Position

Amounts in kEUR	31/03/2023	31/03/2022	31/12/2022
Assets			
Non-current assets			
Goodwill	41 324	51 080	41 324
Other intangible assets	27 827	17 473	28 885
Right-of-use assets	597	25	652
Property, plant and equipment	183	140	194
Investment in associate	1	1	1
Other non-current receivables	82	93	84
Deferred tax assets	229	248	229
Total non-current assets	70 243	69 060	71 369
Current assets			
Trade receivables	2 606	1 761	3 219
Other receivables	1 024	816	375
Tax receivable	205	-	205
Prepayments and accrued income	2 602	2 003	2 293
Cash and cash equivalents	2 332	2 607	2 416
Total current assets	8 769	7 187	8 508
Total assets	79 012	76 247	79 877
Equity and liabilities			
Equity (note 5)	23 766	42 976	24 319
Non-current liabilities			
Loans and borrowings (note 6)	18 824	-	18 912
Deferred tax liabilities	3 826	1 468	4 017
Liabilities to Shareholder	376	-	378
Other liabilities	21 010	9 591	21 401
Lease liabilities	398	-	433
Total non-current liabilities	44 434	11 059	45 141
Current liabilities			
Loans and borrowings (note 6)	-	18 605	-
Liabilities to Shareholder	-	395	-
Trade Payables	359	555	151
Tax liabilities	1 129	291	944
Other liabilities	6 923	562	6 623
Lease liabilities	193	41	205
Accruals and deferred income	2 208	1 763	2 494
Total current liabilities	10 812	22 212	10 417
Total equity and liabilities	79 012	76 247	79 877

Consolidated Statement of Changes in Equity

Amounts in kEUR	Share capital	Other paid-in capital	Reserves	Retained earnings, incl. period's earnings	Total equity
Opening equity, 1 Jan 2022	3 280	24 981	2 683	11 003	41 947
Transactions with owners:					
- New issue of own shares as consideration for acquisitions	170	986	-	-	1 156
- Share-based payments - value of employee benefits	-	77	-	-	77
- Dividends	-	-	-	(343)	(343)
Loss for the year	-	-	-	(18 421)	(18 421)
Other Comprehensive income for the year	-	-	(97)	-	(97)
Closing equity, 31 Dec 2022	3 450	26 044	2 586	(7 761)	24 319
Opening equity, 1 Jan 2023	3 450	26 044	2 586	(7 761)	24 319
Transactions with owners:					
- Share-based payments - value of employee benefits	-	23	-	-	23
- Dividends	-	-	-	(501)	(501)
Loss for the period	-	-	-	(67)	(67)
Other Comprehensive income/(loss) for the period	-	-	(8)	-	(8)
Closing equity, 31 Mar 2023	3 450	26 067	2 578	(8 329)	23 766

Consolidated Cash Flow Statement

Amounts in kEUR	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Operating activities			
Profit/(loss) before tax	115	1 269	(17 852)
Adjustments for non-cash items not included in operating activities			
Depreciation and amortisation of assets	1 139	567	2 903
Impairment of goodwill and intangible assets	-	-	18 000
Exchange gains/(losses) on financial receivables and liabilities	(218)	(154)	(1 981)
Costs for share-based programmes	23	27	77
(Gain)/loss on sale of other assets	-	(488)	(446)
Provisions for restructuring	-	-	98
Earn out revaluation (note 9)	-	-	2 932
Interest and similar expenses	1 072	585	3 805
Interest and similar income	(3)	(5)	(14)
Tax paid	(186)	(111)	(514)
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables	(336)	68	(1 400)
Increase (+)/Decrease (-) in operating liabilities	(602)	(274)	(12)
Cash flow from operating activities	1 004	1 484	5 596
Investing activities			
Acquisition of shares in Group companies, net of cash acquired	-	-	(2 336)
Acquisition of property, plant and equipment	(8)	(15)	(173)
Acquisition of intangible assets	(166)	(699)	(2 313)
Proceeds from sale of other assets	160	862	1 583
Cash flow from investing activities	(14)	148	(3 239)
Financing activities			
Proceeds from issue of bond	-	-	12 127
Issue expenses	-	-	(751)
Repayment of borrowings	-	(558)	(11 443)
Dividends paid	(401)	(196)	(343)
Interest paid	(597)	(344)	(1 351)
Interest received	-	5	9
Repayment of lease liabilities	(71)	(150)	(508)
Cash flow from financing activities	(1 069)	(1 243)	(2 260)
Cash flow for period	(79)	389	97
Cash & cash equivalents at beginning of period	2 416	2 202	2 202
Exchange differences	(11)	(10)	28
Reclassification to cash & cash equivalents from other current financial assets	6	26	89
Cash & cash equivalents at end of period	2 332	2 607	2 416

Income Statement – Parent Company

Amounts in kEUR	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Revenue	-	15	36
Total Revenue	-	15	36
Operating expenses			
Other external expenses	(174)	(85)	(404)
Personnel expenses	(28)	(31)	(118)
Other operating expenses	-	-	(36)
Other operating income	-	(9)	-
EBITDA	(202)	(110)	(522)
Impairment on investment in subsidiaries	-	-	(18 000)
Operating profit/(loss)	(202)	(110)	(18 522)
Profit from investments in Group companies	901	704	3 337
Interest and similar income	-	5	-
Interest and similar expenses	(798)	(562)	(3 734)
Other financial items	313	172	1 884
Earn out revaluation	-	-	(2 932)
Profit/(loss) after financial items	214	209	(19 967)
Tax on profit for the period	-	-	205
Profit/(loss) for the period	214	209	(19 762)

Balance Sheet – Parent Company

Amounts in kEUR	31/03/2023	31/03/2022	31/12/2022
Assets			
Total non-current assets	53 067	52 730	52 714
Total current assets	1 795	1 225	1 396
Total assets	54 862	53 955	54 110
Equity and liabilities			
Equity	5 994	24 523	5 758
Total non-current liabilities	39 834	9 591	40 690
Total current liabilities	9 034	19 841	7 662
Total equity and liabilities	54 862	53 955	54 110

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 note 2 of the Company's Annual Report 2022.

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 43 of the 2022 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 225 million which amounts to SEK 218 million (EUR 19 365 thousand based on 31 March 2023 closing rate) when issued at 95% of par. The bond is measured at amortised cost and is categorised in level 2 of the fair value hierarchy, based on listings with brokers. Similar contracts are traded in an active market, and the rates reflect actual transactions for comparable instruments.

At 31 March 2023, 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 2023 or 2022.

Critical Accounting Estimates

In Q1 2023, management continued to conduct impairment testing of the Company's goodwill and intangibles, broken down into four major separate CGUs. Management continually assesses the group's strategy in light of the changing environment and, as a result, projected future earnings are regularly reviewed. The recoverable amount is sensitive to reasonable growth assumptions and deviations from the growth plan could result in an impairment.

During the past three years, the Group has executed three acquisitions each including a contingent liability payable in the future based on performance. As at 31 March 2023, the total amount of current and non-current liabilities in relation to these contingent liabilities amounted to EUR 25 235 thousand, payable partly in cash and partly in shares. Management assesses the carrying amount of these contingent liabilities based on the latest available information. These carrying amounts are sensitive to fluctuations in performance and the respective carrying amounts are adjusted accordingly.

2. Organic revenue growth

Acroud will continuously invest in the core business and new internal growth initiatives to ensure strong and sustainable organic growth. 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 Q1 2023

Amounts in kEUR	01/01/2023 31/03/2023 Growth, %	01/01/2023 31/03/2023 Absolute Figures	01/01/2022 31/03/2022 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	32.8%	9 300	7 003	2 297
Adjustment for acquired and divested/discontinued operations	(54%)	(3 819)	(49)	(3 770)
Total Growth in EUR, excluding acquired and divested/discontinued operations	(21.2%)	5 481	6 954	(1 473)
Adjustment for constant currency	(0.5%)	-	43	(43)
Total organic revenue growth	(21.7%)	5 481	6 997	(1 516)

Organic revenue growth - bridge Q1 2022

Amounts in kEUR	01/01/2022 31/03/2022 Growth, %	01/01/2022 31/03/2022 Absolute Figures	01/01/2021 31/03/2021 Absolute Figures	Deviation Absolute Figures
Total Growth, EUR	25.5%	7 003	5 579	1 424
Adjustment for acquired and divested/discontinued operations	(8.3%)	(467)	-	(467)
Total Growth in EUR, excluding acquired and divested/discontinued operations	17.2%	6 536	5 579	957
Adjustment for constant currency	(1.7%)	-	78	(78)
Total organic revenue growth	15.5%	6 536	5 657	879

3. Revenue

The Group's revenue for Q1 2023 and 2022 was distributed as follows:

Amounts in kEUR	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
<i>Revenue by vertical within iGaming Affiliate Segment</i>			
Casino	786	1 449	5 826
Poker	742	846	3 424
Sports Betting	4 491	617	6 126
Other affiliation verticals	4	56	160
Total revenue in iGaming Affiliate Segment	6 023	2 968	15 536
<i>Revenue by vertical within SaaS</i>			
Network model	2 985	3 797	14 253
Subscription model	292	238	1 116
Total revenue in SaaS	3 277	4 035	15 369
Total Group revenue	9 300	7 003	30 905

4. 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, paid media strategies and cutting-edge technology improvements to its affiliate assets which are used to generate valuable traffic and new depositing customers to our partners.
- SaaS segment comprises Software as a Service (SaaS). Through SaaS, the Group provides a software 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, he also receives 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 and total liabilities 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; segment liabilities consist primarily of trade and other payables and lease liabilities. Income tax assets and liabilities and interest-bearing liabilities are not allocated to segments as they 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.

Amounts in kEUR	Jan - Mar 2023				Jan - Mar 2022				Jan - Dec 2022			
	iGaming Affiliation	SaaS	Unallocated	Total	iGaming Affiliation	SaaS	Unallocated	Total	iGaming Affiliation	SaaS	Unallocated	Total
Revenue	6 023	3 277	-	9 300	2 968	4 035	-	7 003	15 536	15 369	-	30 905
Other external expenses	(3 503)	(2 523)	(145)	(6 171)	(1 297)	(3 273)	(59)	(4 629)	(7 876)	(12 320)	(295)	(20 491)
Personnel expenses	(537)	(286)	(166)	(989)	(549)	(261)	(138)	(948)	(2 093)	(1 040)	(542)	(3 675)
Other operating income /(costs)	(22)	(4)	-	(26)	824	7	(9)	822	1 188	(1)	(36)	1 151
EBITDA	1 961	464	(311)	2 114	1 946	508	(206)	2 248	6 755	2 008	(873)	7 890
Depreciation/Amortisation	(979)	(160)	-	(1 139)	(415)	(152)	-	(567)	(2 318)	(585)	-	(2 903)
Impairment of goodwill and intangible assets	-	-	-	-	-	-	-	-	(18 000)	-	-	(18 000)
EBIT	982	304	(311)	975	1 531	356	(206)	1 681	(13 563)	1 423	(873)	(13 013)
Interest and similar income	-	-	3	3	-	-	5	5	-	-	14	14
Interest and similar expenses	(248)	-	(824)	(1 072)	-	-	(585)	(585)	(393)	(328)	(3 084)	(3 805)
Other financial assets	(105)	1	313	209	-	-	168	168	297	-	1 587	1 884
Earn out revaluation	-	-	-	-	-	-	-	-	(599)	(2 333)	-	(2 932)
Profit/(loss) before tax	629	305	(819)	115	1 531	356	(618)	1 269	(14 258)	(1 238)	(2 356)	(17 852)
Tax on profit for the period	-	-	(182)	(182)	-	-	(85)	(85)	-	-	(569)	(569)
Profit/(loss) for the period	629	305	(1 001)	(67)	1 531	356	(703)	1 184	(14 258)	(1 238)	(2 925)	(18 421)
Material non-cash items												
Net foreign exchange gain/(loss)	(105)	1	313	209	(2)	(1)	171	168	297	-	1 587	1 884
Assets and liabilities												
Segment Assets	65 407	12 438	-	77 845	62 531	12 982	-	75 513	65 923	12 866	-	78 789
Unallocated Assets	-	-	1 167	1 167	-	-	734	734	-	-	1 088	1 088
Total assets	65 407	12 438	1 167	79 012	62 531	12 982	734	76 247	65 923	12 866	1 088	79 877
Additions to non-current assets	173	1	-	174	705	9	-	714	2 475	11	-	2 486
Segment Liabilities	(20 326)	(9 932)	-	(30 258)	(4 755)	(7 520)	-	(12 275)	(20 434)	(10 168)	-	(30 602)
Unallocated Liabilities	-	-	(24 988)	(24 988)	-	-	(20 996)	(20 996)	-	-	(24 956)	(24 956)
Total Liabilities	(20 326)	(9 932)	(24 988)	(55 246)	(4 755)	(7 520)	(20 996)	(33 271)	(20 434)	(10 168)	(24 956)	(55 558)

5. 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. The award scheme has a service vesting condition of 3 years. A total of 5,600,000 employee stock options have been issued to senior executives, management and other key persons employed by the Company and its subsidiaries. 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.

For Q1 2023, the earnings impact of the share-based payments is EUR 23 thousand.

Number of options	Group and Parent Company	
	31/03/2023	31/12/2022
Amounts in kEUR		
Outstanding at the beginning of the year	4 325 000	5 600 000
Granted during the period	-	-
Forfeited during the period	(527 779)	(1 275 000)
Total outstanding at the end the period	3 797 221	4 325 000
Exercisable at the end of the period	-	-
Weighted average exercise price per option	3,25	3,25
Remaining weighted average contract period (years) for outstanding options.	1	1,28

6. Loans and Borrowings

Borrowings consist of a bond loan amounting to SEK 225 (194) million which amounts to SEK 218 million when issued at 95% of par.

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

Amounts in kEUR	31/03/2023	31/03/2022	31/12/2022
Corporate bond			
Nominal amount (issued at 95% of par)	19 365	18 755	19 521
Prepaid transaction costs	(541)	(150)	(609)
Carrying amount	18 824	18 605	18 912

The bond matures in July 2025 and was listed for institutional trading on Nasdaq Stockholm's Corporate Bonds list on 5 July 2022. The bond has a variable interest rate of Stibor 3m + 9.5%.

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.

7. 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 2022 annual report.

8. Pledged assets

Pledged assets 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.

Amounts in kEUR	Group		Parent Company	
	31/03/2023	31/12/2022	31/03/2023	31/12/2022
Net assets/Shares in subsidiaries pledged as collateral for bonds	52 603	52 514	34 778	34 729

To provide collateral for borrowings 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.

9. 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 2022 were affected by EUR 467 thousand of non-recurring income attributable to the sale of finance affiliation assets, EUR 150 thousand attributable to termination benefits in line with the new strategy and costs incurred in acquiring Acroud Media Ltd, EUR 18 000 thousand one off impairment charge of the Highlight Media business, EUR 2 932 thousand one off charge to reflect the estimated earnouts relating to Power Media Group and The Gambling Cabin, EUR 837 thousand one off expenses in relation to the bond redemption as well as amortised bond redemption fee and discount and EUR 1 515 thousand of favourable currency effects.

Results in Q1 2023 were affected by EUR 10 thousand attributable to termination benefits, EUR 17 thousand attributable to one-off expenses incurred in relation to the acquisition of Acroud Media Ltd and EUR 141 of amortised bond redemption fee and discount and favourable currency effects.

Amounts in kEUR	01/01/2023 - 31/03/2023			01/01/2022 - 31/03/2022			01/01/2022 - 31/12/2022		
	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability	Reported income statement	Items affecting comparability	Adjusted for items affecting comparability
Other external expenses	(6 171)	17	(6 154)	(4 629)	-	(4 629)	(20 491)	88	(20 403)
Personnel expenses	(989)	10	(979)	(948)	-	(948)	(3 675)	62	(3 613)
Other operating income	-	-	-	474	(467)	7	476	(467)	9
EBITDA	2 114	27	2 141	2 248	(467)	1 781	7 890	(317)	7 573
Depreciation/amortisation and impairment	(1 139)	-	(1 139)	(567)	-	(567)	(20 903)	18 000	(2 903)
Operating profit (EBIT)	975	27	1002	1 681	(467)	1 214	(13 013)	17 683	4 670
Interest and similar expenses	(1 072)	119	(953)	(585)	-	(585)	(3 805)	837	(2 968)
Other financial items	209	(260)	(51)	168	(166)	2	1 884	(1 515)	369
Earn out revaluation	-	-	-	-	-	-	(2 932)	2 932	-
Net profit before tax	115	(114)	1	1 269	(633)	636	(17 852)	19 937	2 085
Net profit	(67)	(114)	(181)	1 184	(633)	551	(18 421)	19 937	1 516

Key figures and definitions

Key figures, Group

	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
EBITDA margin	23%	32%	26%
Adjusted EBITDA margin	23%	25%	25%
Operating margin	10%	24%	(42%)
Revenue Growth	33%	26%	25%
Organic growth	(21.7%)	15.5%	7%
Equity ratio	30%	56%	30%
Return on equity	(0.28%)	3%	(44%)
Equity per share (EUR)	0.17	0.33	0.18
Number of registered shares at end of period	136,370,764	129,659,355	136,370,764
Weighted average number of shares before dilution	136,370,764	129,659,355	131,130,349
Weighted average number of shares after dilution	202,718,358	129,659,355	181,551,986
Earnings per share (after dilution)	(0.0003)	0.009	(0.101)
Adjusted earnings per share (after dilution)	(0.001)	0.004	0.008
Market price per share at end of period (SEK)	1.80	2.29	1.91
EPS growth (%)	(103%)	54%	(1 783%)

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 Earn out revaluation.
Adjusted profit after tax	Reported profit after tax, adjusted for non-recurring items in the form of restructuring costs, sale of assets, Earn out revaluation, refinancing, impairment 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 provides 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.
Adjusted earnings per share	Profit/loss after tax, adjusted for non-recurring items in the form of restructuring costs and Earn out revaluation 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.

Information for Shareholders

Financial calendar

Reports

Interim report April - June 2023

10 August 2023

Interim report July - September 2023

9 November 2023

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Contact with investors

The CEO and CFO are responsible for providing shareholders, investors, analysts and the media with relevant information. During the year, Acroud participated in a number of capital market activities. The Company also held regular analyst meetings.

Financial reports, press releases and other information are available from the publication date on Acroud website: <http://www.acroud.com/investor-relations/>. It is also possible to subscribe to press releases and reports on the website. Printed copies of the annual report are sent on request.

CERTIFIED ADVISOR

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

From August 2021 (Q2 21 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.