



Press release: Interim report Jan-Mar 2021 (Q121)

20 May 2021

Acroud publishes interim report Jan-Mar 2021: Strong quarter characterised by growth and acquisitions

First Quarter 2021

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

Significant events during the quarter

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



balance between organic growth, partnerships with Media Houses and executing possible strategic acquisitions. As part of the evaluation Acroud decided to withdraw from the process of a potential acquisition where a Letter of Intent ("LOI") was announced on 3 November 2020. The rationale behind the withdrawal was a combination of higher transaction risk than anticipated and increased momentum of our current assets.

- In February, the Company signed another letter of intent for the acquisition of TheGamblingCabin (TGC), which is a fast-growing company that offers both a software-based "gaming tips" service and highly popular streaming channels within Sports Betting, Poker and Horse Racing. TGC has a clear strategic fit with Acroud, whereby we strengthen our software offering (SaaS), while adding some of the most popular media channels, YouTube and Twitch, to our offering. The acquisition was finalized in April 2021.
- In March, an Extraordinary General Meeting was held which decided on an employee stock option program. The employee share option program covers key personnel and will run for three years until March 2024. The Extraordinary General Meeting was held on 1 March 2021.

Significant events after the quarter

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

VD-comment: The Ride continues!

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

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



A strong and progressive quarter

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

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

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

What is "The Media House of the Future"?

For Acroud, it is a mantra and means a lot. First of all, it's an attitude. "Future" means being proactive, adaptable and to be in the forefront. "Media house" means that we build an ecosystem consisting of several different components that together complement each other with clear synergies. As an example, during March 2021 we generated +1,000 NDCs through streaming, which has not been generated in previous quarters in the business. By getting the various components to work together, we create diversification, high-qualitative content and high entry barriers. Step by step, we are moving from being a pure player with traditional comparison sites to a product mix comprising more complex solutions with high entry barriers and high-quality content.

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

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

Acroud's three growth pillars

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



are iGaming Affiliation, BaaS and SaaS solutions. The iGaming Affiliation is our underlying affiliate business containing the traditional verticals; Poker, Sports Betting and Casino. Acroud delivers high quality content and uses search engine optimisation to rank high in keywords and thereby drive traffic in the media industry. The second pillar, "Software as a Service" (SaaS) solutions, has been described above, while the third pillar "Business as a Service" (BaaS) is a service offering that primarily includes Matching Visions. Matching Visions provides "Content Creators" (Bloggers, Youtubers, Affiliates, etc.) access to a large client base, unique software, tools and business terms, which would otherwise be out of their reach. Thousands of smaller iGaming affiliate sites around the world come together, via Matching Visions, to provide traffic and new players to online gaming operators.

Focus on "Operational Excellence"

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

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

Our way to create shareholder value

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

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

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

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



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

So...

Join The Ride

Robert Andersson Malta, 20 May 2021

CEO Robert Andersson and CFO Gustav Vadenbring will present the report, followed by a Q&A session. The presentation will be held in English and will be webcasted live through www.acroud.com or via <https://tv.streamfabriken.com/acroud-q1-2021>

The join the conference via phone, please dial-in using any of the numbers below:

From Sweden: +46850558375

From UK: +443333009031

From the US: +18335268398

The webcast and the presentation slides will be published on www.acroud.com after the webcast, where you also can view and listen to the webcast on demand.

Responsible parties

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About ACROUD AB

ACROUD is a fast-growing global challenger that operates and develops +30 comparison and news sites within Poker, Sports Betting and Casino. In 2021, Acroud launched The Festival Series which is a competitive Sports Betting, Casino and Poker Experience taking place in different destinations in Europe. Acroud also offers SaaS (Software as a Service) and BaaS (Business as a Service) solutions for the iGaming affiliate industry. In 2020 and 2021, a number of companies have joined the ride and thus several experienced individuals in the industry leads Acroud's journey to become "The Mediahouse of The Future". Our mission is to connect people, Content Creators (Youtubers, Streamers, Affiliates) and businesses. We are growing fast and is a leading global player in the industry with just over 90 people in Malta, Denmark and Sweden. Acroud has been listed on the Nasdaq First North Growth Market since June 2018.