



## Press release

10 August 2023

# Acroud publishes interim report Apr-Jun 2023: Towards strengthening the balance sheet, reducing debt and securing cash flows

## Financial highlights during second quarter 2023

- Revenue amounted to an all-time high of EUR 10 281 (7 200) thousand, corresponding to a growth of 43% and an organic growth of -26.5%.
- Adjusted EBITDA (before items affecting comparability) was EUR 1 614 (1 802) thousand decreasing by 10% year-on-year. EBITDA amounted to EUR 588 (1 802) thousand, decreasing by 67% year-on-year.
- Profit after tax was EUR -21 258 (1 248) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -931 (588) thousand. Items affecting comparability include an impairment charge of EUR 20 million.
- Earnings per share after dilution amounted to EUR -0.104 (0.010). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.005 (0.005).
- New Depositing Customers (NDC) amounted to an all-time high of 117,365 (35 134) increasing by 234% (19%).
- Cash flow from operating activities amounted to EUR 1 667 (1 490) thousand.

## Financial highlights during first six months 2023

- Revenue amounted to an all-time high of EUR 19 581 (14 203) thousand, corresponding to a growth of 38% and an organic growth of -23.8%.
- Adjusted EBITDA (before items affecting comparability) was EUR 3 755 (3 583) thousand, increasing by 5% year-on-year. EBITDA amounted to EUR 2 702 (4 050) thousand, decreasing by 33% year-on-year.
- Profit after tax was EUR -21 324 (2 431) thousand. Adjusted profit after tax (before items affecting comparability and currency effects) was EUR -1 111 (1 138) thousand. Items affecting comparability include an impairment charge of EUR 20 million.
- Earnings per share after dilution amounted to EUR -0.104 (0.019). Adjusted earnings per share (before items affecting comparability and currency effects) was EUR -0.005 (0.009).



- New Depositing Customers (NDC) amounted to an all-time high of 210 024 (68 672) increasing by 206% (12%).
- Cash flow from operating activities amounted to EUR 2 673 (2 975) thousand.

### **Important events during the quarter**

On 27 June 2023, Acroud received bondholders' approval in the written procedure, which will lower our debt excluding the bond from EUR26 million to EUR6.5 million and will reduce short-term cash outflow from just over EUR6 million to approximately EUR2.5 million. The transactions are summarised below:

- Settlement of PMG Earn-out - reducing short term cash commitment from EUR 4.5 million to EUR 2.25 million.
- Sale of 9% of the shares in Acroud Media Ltd - reducing contingent liabilities by EUR 13.5 million.
- Waiver the mandatory partial payment of the bond - reducing short-term cash outflow by approx. EUR 2 million.
- Equity injection of SEK 22 million.
- Conversion of bonds to equity - reducing long term borrowings by SEK 25 million and reducing quarterly interest costs.
- Conversion of shareholder loan to equity – reducing long term borrowings by SEK 4.3 million.

For more information on the Written Procedure, please refer to Press Release issued 27 June 2023 which can be found on the Company's website [www.acroud.com](http://www.acroud.com).

### **Financial highlights after the quarter**

- On 13 July 2023, Acroud AB has agreed to sell and transfer to RIAE Media Ltd, 9 shares corresponding to 9% of all the issued and outstanding shares in Acroud Media Ltd. The purchase price for the shares is EUR 1.1 million which will be paid in cash no later than 30 November 2023. The shares were transferred from Acroud AB to RIAE Media Ltd on 1st August 2023. On the same date, Acroud AB has entered into an amendment of the shareholders agreement so that the Put Option of the original shareholders agreement will be removed with effect from 1st August 2023.
- On 03 August 2023, Acroud AB (Acroud) entered into an agreement with PMG Group A/S, SMD Group Ltd and Double Down Media Ltd as sellers regarding Acroud's previous purchase of Voonix ApS, Matching Visions Ltd and Traffic Grid Ltd in order to settle EUR 4 million of the total earn-out payment of EUR 9 million by way of cash payment of EUR



2.25 million and a debt-to-equity swap of EUR 1.75 million paid by way of a directed set-off issue of shares in Acroud. On the same date, Acroud has issued promissory notes to the sellers in respect to the remaining debt of EUR 5 million. Acroud is granting the sellers a right to purchase, and the sellers is granting Acroud a right to sell, 40% of the total number of shares of Voonix ApS, Matching Visions Ltd and Traffic Grid Ltd with payment by way of set-off against the promissory notes. The sellers may exercise the right to purchase and Acroud may exercise the right to sell only after Acroud has redeemed its outstanding bond loan 2022/2025 in full.

- On 03 August 2023, the board of directors of Acroud has in accordance with the Written Procedure resolved to carry out a directed new issue of 36,241,424 shares for a total consideration amount of approx. SEK 71.6 million.

The subscription of shares in the directed new share issue is made against payment in cash, in-kind or through set-off as further detailed below:

- 11,139,240 shares issued to Trottholmen AB and Strategic Investment A/S against payment in cash of in total SEK 22 million.
- 10,284,594 shares issued to PMG Group A/S, SMD Group Ltd and Double Down Media LTD against payment by way of set-off against earn-out claims amounting to in total EUR 1,750,000 under a share purchase agreement entered into with Acroud and the subscribers.
- 2,159,363 shares issued to Trottholmen AB against payment by way of set-off against a shareholder loan of approx. SEK 4.3 million.
- 12,658,227 shares issued to Trottholmen AB and Strategic Investment A/S against payment in-kind consisting of Bonds amounting to in total SEK 25 million.

## CEO comments: **Towards strengthening the balance sheet, reducing debt and securing cash flows**

Q2 2023 marked a new all-time high for both revenues and New Depositing Customers (NDCs). Revenues amounted to EUR 10 281 thousand (compared to EUR 7 200 thousand in Q2 2022), and NDCs amounted to 117,365 compared to the 35,134 of the same quarter last year. The quarter's results showed weaker margins, in part due to increased investments in the media business and one-off costs incurred during the quarter, amounting to EUR 1 026 thousand.

After the reporting period, the group engaged in a series of transactions involving both changes to earn-out agreements and reduced future commitments for Acroud. This concerns both additional purchase prices to be paid and the removal of the future obligation to acquire additional shares in current subsidiaries.

Through these agreements, Acroud will lower its debt excluding the bond from EUR26 million to EUR6.5 million and will reduce short-term cash outflow from just over EUR6 million to approximately EUR2.5 million.



Furthermore, the main shareholders, Trottholmen AB and Strategic Investment, will subscribe to a new issue of SEK 22 million to strengthen the company's financial position.

We have also implemented further cost savings in our old core business, where we have now moved the operations and development of our casino products, to a team with whom we have previously cooperated successfully. The reason for this is that our own casino products have seen a continuous decline in revenues over the last 5 years and we have not been able to reverse the trend despite the various attempted leadership and strategy changes. So based on this, we decided it was time for a drastic change, a change where no "legacy" and sacred cows burden the way of thinking. As a result of this, we are lowering our operating costs while giving our partners a clear incentive to grow our casino sites since they share in the profitability increases. We expect to see the result of this and the investments in the media business during Q4 2023 and onwards.

The fact that our old core business has been performing so poorly for a long time has also led us to the decision to impair Goodwill by a further EUR 20 million.

Acroud now consists of a group of companies, where all staff have both passion and clear incentives to drive each company successfully and contribute to Acroud's improved profitability and increased shareholder value.

Following the mentioned decisions that have been taken in this quarter, we have now "cleaned up" and look forward to taking the company forward and upwards from this platform.

All in all, I am grateful to everyone who has contributed to the above changes being implemented. We have been able to achieve this thanks to the flexibility and commitment of all our employees, the founders of PMG and TGC's desire to jointly build a successful company, our two largest shareholders who strengthen our cash position, and our bondholders who have constructively supported this solution.

With this secured, we can be really optimistic about the future.

***Join the Ride!***

**Robert Andersson, Malta, 10 August 2023**

CEO Robert Andersson and CFO Tricia Vella will present the report, followed by a Q&A session today at 10:00 CET. The presentation will be held in English and will be webcasted live through [www.acroud.com](http://www.acroud.com) or via <https://ir.financialhearings.com/acroud-q2-2023>.

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

From Sweden: +46 8 525 07003  
From UK: +44 20 7043 5048  
From the US: +1 (774) 450-9900

Include Conference ID 200903#

The webcast and the presentation slides will be available to view and listen on demand after the webcast on [www.acroud.com](http://www.acroud.com) or via the [Quatr](#) app.



## Responsible parties

This information constitutes inside information that Acroud AB (publ) is required to disclose under the EU Market Abuse Regulation 596/2014. The information in this press release has been published through the agency of the contact persons below, at the time specified by Acroud AB's (publ) news distributor Cision for publication of this press release. The persons below may also be contacted for further information.

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***From August 2021 (Q221 Report) report Acroud has changed reporting and company language to English. This means that Interim Reports and the correlated press releases will be issued in both English and Swedish, however the English version will supersede the Swedish version.***

## About ACROUD AB

**ACROUD** is a fast-growing global challenger that operates and develops comparison and news sites within Poker, Sports Betting and Casino. Acroud also offers SaaS solutions for the iGaming affiliate industry. In past years, 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 remain a leading global player in the industry with just over 70 people in Malta, United Kingdom, Denmark and Sweden. Acroud has been listed on the Nasdaq First North Growth Market since June 2018.