



| Q1

Interim Report

January-March 2024

Scout Gaming Group AB

First quarter: January - March 2024

- Revenues from the gaming operation amounted to mSEK 8.0 (6.5), corresponding to an increase of 23 percent.
- B2B revenues amounted to mSEK 6.5 (5.4), an increase of 20 percent.
- B2C revenues amounted to mSEK 1.5 (1.1), an increase of 37 percent.
- EBITDA improved to to mSEK -2.8 (-9.9).
- Net result decreased to mSEK -2.9 (7.0), last year included an unrealized positive currency effect amounting to mSEK 17.4.
- Earnings per share amounted to SEK -0.01 (0.31)

For additional information, please contact:

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CEO comment

The first quarter of 2024 has come to end, we have built a more efficient and effective company and are improving in almost all important metrics. But we need to do more to reach profitability. It is also satisfying to see the improved profitability as we have managed to grow both our B2B and B2C revenues despite a significant reduction in employee cost and other external expenses. We are well positioned to reach profitability and to start to generate positive cashflows.

We aim to solidify our market position and enhance revenue growth by implementing and further develop pricing models that directly reflects the significant benefits we provide to our partners. Our long-term plan for growth also includes focus on tailored developments alongside our product portfolio of different verticals focused on delivering added value for our partners.

Looking forward we will also focus on our B2C brands Fanteam. We are committed to achieving profitability by meticulously tracking key metrics and KPIs, which ensures that our marketing expenditures drive controlled and effective growth. The current activity level on this brand is from an invested and active user base acquired years ago, with little to no marketing efforts covering the first quarter of the year.

Through a combination of efforts internally and with our partners and based on the number of entries we expect the coming months to be the most engaging of our users in the history of the company. Furthermore, we anticipate less seasonal variances as we are more geographically diversified today than ever before with offerings in several different continents, like Americas, Europe and Africa.

We look forward to continuing to create added value for our partners by utilizing our internal account management, development, and operations teams to foster an environment that not only attracts new users but also captivates and retains existing ones through tailored marketing campaigns designed by our teams. Both for onboarding of new partners as well as existing.

Niklas Jönsson
CEO

Financial performance

Revenues

Total revenues for the quarter amounted to mSEK 8.0 (6.5), an increase of 23 percent compared to the same period last year.

Revenues from B2B operations increased during the quarter to mSEK 6.5 (5.4) an increase of 20 percent compared to last year's first quarter. The growth B2B comes from the increased focus on this vertical. The Group has by end of first quarter 10 integrated and active B2B partners. The revenues from B2C also improved during the quarter to mSEK 1.5 (2.1) an increase of 37 percent compared to last year's first quarter. An increase in part led by optimization of our Sportsbook offering.

Revenues for B2C operations are booked at the date the transaction takes place (for Daily Fantasy Games (DFS) or when a bet is settled. For B2B operations revenues are invoiced partners after month end based on either minimum fees specified in the agreements or revenue share agreements.

Expenses

Total expenses during quarter amounted to mSEK 10.8 (16.5) a reduction of 35 percent compared to last year's first quarter. Personnel costs amounted to mSEK 4.7 (9.6), reduced by 51 % compared to last year's first quarter. Other external expenses amounted to mSEK 6.1 (6.8) for the quarter, reduced by 10 % compared to last year's first quarter.

The Group books all costs when they are incurred, specifically related to guarantee losses these are booked when the registration of the underlying tournament is closed. Guarantee losses are defined as the part of the prize pool set by the Group not covered by user buy-ins (through our B2C brand and partners connected to the network).

Player and partner related debts and assets

The company classifies all player funds as "client assets" in the financial statements, furthermore buy-ins from networked partners are booked as the same based on the transaction date. Buy-ins are invoiced after month end from all partners but as a "network operator" the Group incurs the debt at transaction date.

Funds held with Payment Service Providers (PSPs) are classified as "other receivables" due to the funds being a receivable from another entity. Per quarter end these amounts to mSEK 3.2 (2.8).

Per period end the company had mSEK 13.6 (15.5) of liabilities related to player balances and ongoing tournaments. Player funds accounted for mSEK 7.5 (9.0) and networked buy-ins mSEK 6.1 (6.5). All debts related to buy-ins included per quarter end will be settled as follows:

- Next quarter, mSEK 5.7
- After the next quarter, mSEK 0.4

The B2B and B2C entities should always retain sufficient liquidity to be able to pay their client funds (networked buy-ins and player funds) at all times. The rest of the funds are distributed based on need.

This balance also includes guarantee losses amounting to mSEK 0.4, booked as expenses before quarter end. See expenses above related to guarantee costs related to this.

Result

Operating profit for the quarter was mSEK -2.8 (-9.9), an improvement of 72 percent compared to last year's first quarter. Net result was mSEK -2.9 (7.0) during the quarter.

Liquidity, financing and financial position

Cash flows from operating activities amounted to mSEK -5.4 (-5.2) during the quarter. Cash flows for the quarter was mSEK -5.4 (-5.2). Cash and cash equivalents amounted to mSEK 41.7 (69.8) at the end of the period.

Key Ratios

	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Revenue	8,0	6,5	31,0
Growth, %	22,6 -	3,0	21,0
EBITDA	- 2,8 -	9,9 -	25,4
EBITDA-margin, %	Neg	Neg	Neg
Operating profit	- 2,8 -	9,9 -	25,5
Number of shares at the end of the period	225 200 470	225 200 470	225 200 470
Average number of shares	225 200 470	225 200 470	112 600 235
Employees at end of period *	37	66	36
Earnings per share (SEK)	- 0,01	0,03 -	0,37
Shareholders' equity per share (SEK)	0,13	0,23	0,14

* Includes contract staff in Ukraine.

Other

Parent company

Revenue for the quarter amounted to mSEK 1.0 (0) and operating profit amounted to mSEK -1.1 (-1.4). The result for the quarter amounted to mSEK -0.9 (-0.8). The parent company's cash and cash equivalents amounted to mSEK 32.6 (55.1) at the end of the period and equity amounted to mSEK 104.1 (184.2).

Risks

Scout Gaming's operations are subject to certain risks that may affect the performance or financial position to varying degrees. These can be divided into industry and business-related risks as well as financial risks. In assessing the Group's future development, it is important to consider, in addition to possible opportunities for profit growth, the risk factors. The development of the legal situation for the type of gaming services provided by Scout Gaming is a key risk factor for the Group's future earning ability. As the majority of the company's customers are active in Europe, legal status in the EU becomes particularly interesting and monitored and managed by the Group continuously. Nevertheless, for cases where the legislation should be interpreted in an unfavorable or unexpected manner, there is a risk that Scout Gaming's terms of growth, profitability and product development will change. Similarly, an interpretation in a favorable direction could have a positive impact on the Group.

For further information about Scout Gaming's risks and risk management, refer to the Annual Report 2023, which is found on the company's website.

Accounting principles

The interim report has been prepared in accordance with the Annual Accounts Act and the Board of Directors' General Advice BFAR 2012: 1 Annual Report and Consolidated Financial Statements (K3). The change in principle concerning capitalization of development cost the Group has used K3, 18:7. Amounts are expressed in mSEK unless otherwise stated.

Related party transactions

During the quarter the Chairman of Board has received mSEK 0.3 for work relating to the Group.

Owners per March 31st 2024

Shareholders	No. Shares	Ownership
Topline Capital Partners LP	67 560 140	29,9 %
Scobie Ward	35 306 667	15,7 %
Novobis AB	20 721 580	9,2 %
Knutsson Holdings AB	19 939 600	8,9 %
Atle Sundal Holding AS	9 018 340	4,0 %
SIA Optibet	8 333 330	3,7 %
Andreas Sundal Holding AS	4 722 178	2,1 %
Clearstream Banking S.A.	4 265 413	1,9 %
Mats Gidlund	4 003 180	1,8 %
Bjørn Fjellby Holding AS	3 702 500	1,6 %
Top 10 shareholders	177 572 928	78,9 %
Other shareholders	47 627 542	21,1 %
Total number of shares	225 200 470	

Calendar

Scout Gaming will publish reports according to the following schedule:

- Annual General Meeting: May 23rd, 2024
- Interim report Q2 2024: August 15th, 2024
- Interim report Q3 2024: November 14th, 2024
- Year-end report 2024: February 21st, 2025

Condensed consolidated income statement

Scout Gaming Group AB (publ)
559119-1316

Group income statement (kSEK)	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Revenue	7 994	6 518	31 032
Other revenues	-	-	-
Total Revenues	7 994	6 518	31 032
Personnel expenses	-4 669	-9 617	-27 115
Other external expenses	-6 100	-6 790	-29 280
Depreciation, amortization and impairment of PPE	0	-50	-93
Total operating expenses	-10 769	-16 457	-56 488
Operating profit/loss	-2 775	-9 939	-25 456
Financial items	-153	16 960	-15 653
Profit before tax	-2 928	7 021	-41 109
Tax	-	-	-
Profit/loss for the period	-2 928	7 021	-41 109

Condensed consolidated balance sheet

Scout Gaming Group AB (publ)
559119-1316

Group balance sheet (kSEK)	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Assets			
Property, plant and equipment	-	394	-
Total non-current assets	-	394	-
Accounts receivable	3 990	2 022	2 430
Other receivables	3 975	4 323	2 950
Prepaid expenses and accrued income	1 484	1 771	1 047
Cash and cash equivalents	41 737	69 830	47 332
Total current assets	51 187	77 946	53 759
TOTAL ASSETS	51 187	78 340	53 759
Equity and liabilities			
Share capital	11 853	11 853	11 853
Other capital contributed	423 424	423 424	423 424
Reserves	-266	-29 137	-65
Retained earnings including profit for the period	-405 573	-354 515	-402 645
Total equity	29 438	51 625	32 567
Deferred tax liability	-	7	-
Total long-term liabilities	-	7	-
Accounts payable	2 011	3 123	1 993
Client assets	13 620	15 483	13 390
Other current liabilities	508	2 370	13
Accrued expenses and prepaid income	5 610	5 732	5 796
Total short-term liabilities	21 749	26 708	21 192
TOTAL EQUITY AND LIABILITIES	51 187	78 340	53 759

Consolidated changes in equity

	Share capital	Capital contributed	Reserves	Retained earnings	Total equity
2023-01-01	11 853	423 424	-11 545	-361 536	62 196
Conversion difference			-17 592		-17 592
Profit/loss for the quarter				7 021	7 021
2023-03-31	11 853	423 424	-29 137	-354 515	51 625
	Share capital	Capital contributed	Reserves	Retained earnings	Total equity
2024-01-01	11 853	423 424	-65	-402 645	32 567
Conversion difference			-201		-201
Profit/loss for the quarter				-2 928	-2 928
2024-03-31	11 853	423 424	-266	-405 573	29 438

Consolidated statement of cash flows

Group (kSEK)	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Profit before tax	-2 928	7 021	-41 109
<i>Adjustment for items not included in cash flows</i>			
Depreciation, amortization and impairments	-	50	93
Non cashflow affecting	-45	-17 395	14 129
Tax paid	-	-	-
Operating activities before change in working capital	-2 973	-10 324	-26 887
Changes in working capital	-2 466	5 135	1 534
Cash flows from operating activities	-5 438	-5 189	-25 353
Acquisition of tangible assets	-	-	-
Change in non-current receivables	-	-	-
Cash flow from investing activities	-	-	-
Sale of subsidiary	-	-	-1 544
Loan	-	-	-
Repayment of Bridge financing	-	-	-
Cash flow from financing activities	-	-	-1 544
Cash flow for the period	-5 438	-5 189	-26 897
Cash and cash equivalents at start of period	47 332	74 959	74 959
Exchange rate differences	-156	60	-740
Cash and cash equivalents at end of period	41 738	69 830	47 322

Condensed Parent Company income statement

Parent Company income statement (kSEK)	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Total revenue	1 014	-	2 685
Personnel expenses	-754	-694	-5 700
Other external expenses	-1 327	-748	-2 846
Depreciation, amortization and impairment of PPE	-	-	-
Other expenses	-	-	-
Total expenses	-2 081	-1 443	-8 545
Operating profit/loss	-1 067	-1 443	-5 860
Financial items*	119	608	-74 035
Profit before tax	-947	-835	-79 895
Profit before tax	-947	-835	-79 895

Condensed Parent Company balance sheet

Parent company balance sheet (kSEK)	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Assets			
Financial assets	63 870	75 000	63 870
Total non-current assets	63 870	75 000	63 870
Group internal receivables	7 926	53 939	6 550
Other receivables	334	528	619
Prepaid expenses and accrued income	865	657	334
Cash and cash equivalents	32 592	55 096	35 209
Total current assets	41 716	110 221	42 712
TOTAL ASSETS	105 586	185 221	106 582
Equity and liabilities			
Share capital	11 853	11 853	11 853
Other contributed capital	379 468	379 468	379 468
Retained earnings including profit for the period	-287 150	-207 142	-286 203
Total equity	104 170	184 179	105 118
Accounts payable	214	222	310
Other current liabilities	70	70	154
Accrued expenses and prepaid incomes	1 131	750	1 001
Total current liabilities	1 416	1 042	1 465
TOTAL EQUITY AND LIABILITIES	105 586	185 221	106 582

SIGNATURES AND ASSURANCE

This Interim Report has not been subject to review by the Company's auditor. The Board of Directors and the Chief Executive Officer offer their assurance that this Interim Report gives a true and fair view of the Group's and Parent Company's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Group and Parent Company.

Stockholm, May 15th, 2024

Niklas Braathen, Chairman

Fredrik Rūden, Member

Jonathan Petteimerides, Member

Hans Isoz, Member

Niklas Jönsson, CEO

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Scout Gaming Group AB (publ)

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Information about Nasdaq First North Growth Market

Nasdaq First North Growth Market ("First North") is an alternative marketplace operated by the constituent exchanges of Nasdaq Stockholm. It does not have the same legal status as a regulated marketplace. Companies quoted on First North are subject to First North's rules, rather than the legal requirements set for trading on a regulated marketplace. An investment in a company trading on First North implies higher risk than one in a listed company. Companies must apply to the exchange and gain approval before trading on First North can commence. A Certified Adviser guides the company through the listing process and also ensures that the company continuously satisfies First North's standards. Corpura Fondkommission AB is Scout Gaming's Certified Adviser.

Definitions

Revenue – Total revenue for the current period.

Revenue growth - Revenue for the current period through revenue for the same period last year.

EBITDA - Operating profit before depreciation and amortization.

EBITDA margin - EBITDA as a percentage of Revenue.

Operating profit - Consolidated operating profit for the period.

Operating margin - Group operating profit as a percentage of revenue.

Number of shares at the end of the period - The number of shares outstanding at the end of the period.

Average number of shares - Opening number of shares for the period added with outstanding number of shares divided by 2.

Number of employees at the end of the period - Number of employees in the Group at the end of the period.

Earnings per share - Profit after tax divided by the average number of shares during the period.

Equity per share - Equity divided by the number of outstanding shares during the period.