



Q2

Interim Report

January-June 2024

Scout Gaming Group AB

## Second quarter: April - June 2024

- Total revenues amounted to mSEK 11.1 (9.5), an increase of 16 percent
- B2B revenues amounted to mSEK 8.3 (8.2), an increase of 1 percent. The comparative period includes a non-recurring amount of mSEK 1.8.
- B2C revenues amounted to mSEK 1.4 (1.3), an increase of 10 percent
- Other income amounted to 1.3 mSEK (0.0)
- EBITDA improved to mSEK -0.9 (-6.0)
- Net result improved to mSEK -1.9 (-37.3), comparative included negative result of mSEK 31.3 related to non-recurring transactions
- Earnings per share amounted to SEK -0.01 (-0.17)

## Interim period: January - June 2024

- Total revenues amounted to mSEK 19.1 (16.0), an increase of 19 percent
- Revenues from the gaming operation amounted to mSEK 17.7 (16.0), a increase of 11 percent
- B2B revenues amounted to mSEK 14.8 (12.6), an increase of 17 percent. The comparative period includes a non-recurring amount of mSEK 1.8
- B2C revenues amounted to mSEK 2.9 (3.4), a decrease of 14 percent
- Other income amounted to 1.3 mSEK (0.0)
- EBITDA improved to mSEK -3.7 (-15.9)
- Net result improved to mSEK -4.8 (-30.3), comparative included negative result of mSEK 14.3 related to non-recurring transactions
- Earnings per share amounted to SEK -0.02 (-0.13).

For additional information, please contact:

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## CEO comment

The second quarter of 2024 have shown more activity compared to previous year, which is due to the football tournaments Euro 2024 and Copa America both starting in June and ending in July. Usually, the month of June is a slower month, but these tournaments are positive for us both concerning revenues but also concerning the retention of the users. We are getting closer to profitability and with the efforts and the events during Q2 we believe that we are well positioned for our future growth.

During the quarter we have extended and are in discussion to extend existing partner agreements which will have a positive effect on our P&L going forward.

During the end of May and after implementing several product improvements we restarted the marketing efforts for our B2C brand Fanteam, to get more engagement before the Euro 2024. This gave positive reactions, which has given us comfort that our improvements are attractive before the start of Premier League in mid-August.

We are continuously adding significant value for our partners with our internal account management, development and operations teams, which we have seen strengthens our partnerships and also is an enabler to extensions of agreements with partners and also attracts new partners.

We thank partners, users, providers and employees for the last quarter, and we look forward to the second half of 2024.

Niklas Jönsson  
CEO

## Financial performance

### Revenues

Total revenues for the quarter amounted to mSEK 11.1 (9.5) and for the period 19.1 (16.0), an increase of 17 percent compared to the same quarter and 19 percent for period.

Revenues from B2B gaming operations increased during the quarter to mSEK 8.3 (8.2) and 14.8 (12.6) for the period. An improvement of 1 percent compared to last year's second quarter and 19 percent for the period. Comparing to second quarter and removing the non-recurring revenue from the sum, we have a comparative increase of revenues amounting to mSEK 1.7 or growth of 30 percent. The growth in B2B comes from the increased focus on this vertical. The Group has by end of second quarter 11 integrated and active B2B partners.

The revenues from B2C increased during the quarter to mSEK 1.4 (1.3) and for the period decreased to 2.9 (3.4) an increase of 10 percent compared to last year's second quarter and decrease of 14 percent for the period.

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 fee specified in the agreements or revenue share agreements.

Other B2B income relates to development change orders for partners and amounted to mSEK 1.3 (0.0) for the quarter and mSEK 1.3 (0.0) for the period.

### Expenses

Total expenses during the quarter amounted to mSEK 12.0 (15.5) and 22.7 (32.0) a reduction of 23 percent compared to last year's second quarter and 29 percent for the period. Personnel costs amounted to mSEK 5.3 (8.8) for the quarter and 10.0 (18.0) for the period. A reduction of 39 percent for the quarter and 46 percent for the period. compared to last year's second quarter. Other external expenses amounted to mSEK 6.7 (6.7) for the quarter and 12.8 (18.4) for the period. A reduction of 5 percent for the period.

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 4.1 (1.7).

Per period end the company had mSEK 13.6 (10.6) of liabilities related to player balances and ongoing tournaments. Player funds accounted for mSEK 9.0 (9.5) and networked buy-ins mSEK 4.6 (1.1). All debts related to buy-ins included per quarter end will be settled as follows:

- Next quarter mSEK 4.3
- After the next quarter mSEK 0.3

The B2B and B2C entities always retain sufficient liquidity to be able to pay their client assets (networked buy-ins and player funds) at all times. The rest of the funds are distributed on the basis of need. This balance also includes guarantee losses amounting to mSEK 0.1, booked as expenses before quarter end. See expenses above related to guarantee costs related to this.

## Result

Operating profit for the quarter was mSEK -3.7 (-16.0) and for the period -0.9 (-6.0). An improvement of 77 percent compared to last year's second quarter and 85 percent for the period. Net result was mSEK -1.9 (-37.3) during the quarter and -4.8 (-30.3) for the period. An improvement of 95 percent for the quarter and 84 percent for the period. The comparative periods include both the sale of a subsidiary with negative effect and positive from currency changes on intercompany loans that are not expected to be settled within the coming 12 months.

## Liquidity, financing and financial position

Cash flows from operating activities amounted to mSEK -3.5 (-13.5) for the quarter and -9.3 (-17.9) for the period. Cash flows for the quarter was mSEK -3.5 (-13.5) and -9.3 (-17.9) for the period. Cash and cash equivalents amounted to mSEK 38.0 (56.8) at the end of the period.

## Key ratios

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Revenue	11,1	9,5	19,1	16,0	31,0
Growth, %	16,5	-	3,0	19,0	21,0
EBITDA	- 0,9	- 6,0	- 3,7	- 15,9	- 25,4
EBITDA-margin, %	Neg	Neg	Neg	Neg	Neg
Operating profit	- 0,9	- 6,0	- 3,7	- 16,0	- 25,5
Number of shares at the end of the period	225,200,470	225,200,470	225,200,470	225,200,470	225,200,470
Average number of shares	225,200,470	225,200,470	225,200,470	225,200,470	112,600,235
Employees at end of period *	37	44	37	44	36
Earnings per share (SEK)	- 0,01	- 0,17	- 0,02	- 0,13	- 0,37
Shareholders' equity per share (SEK)	0,12	0,20	0,12	0,19	0,14

## Other

### Parent company

Revenue for the quarter amounted to mSEK 0.0 (0) and for the period 1.0 (1.1). operating profit amounted to mSEK -2.4 (-75.6) for the quarter and -3.4 (-76.4) for the period. The result for the quarter amounted to mSEK -2.5 (-75.6) for the quarter and -3.4 (-2.7) for the period. The parent company's cash and cash equivalents amounted to mSEK 27.3 (46.9) at the end of the quarter and equity amounted to mSEK 27.7 (43.8).

### 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 BFNAR 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 (millions of SEK) unless otherwise stated.

### Related party transactions

During the quarter the Chairman of Board has received mSEK 0.3 for work relating to the commercial restructuring which the Group has made during the year.

## Owners per June 30<sup>th</sup>

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 %
Mats Gidlund	4,003,180	1,8 %
Andreas Sundal Holding AS	3,804,851	1,7 %
Clearstream Banking S.A.	3,751,673	1,7 %
Bjørn Fjellby Holding AS	3,702,500	1,6 %
Top 10 shareholders	176,141,861	78,2 %
<b>Other shareholders</b>	<b>49,058,609</b>	<b>21,8 %</b>
Total number of shares	225,200,470	

## Calendar

Scout Gaming will publish reports according to the following schedule:

- Interim report Q3 2024: November 14, 2024
- Year-end report 2024: February 28, 2025

## Condensed consolidated income statement

Scout Gaming Group AB (publ) 559119-1316

Group income statement (kSEK)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Revenue	9,709	9,491	17,703	16,010	31,032
Other revenues	1,348	-	1,348	-	-
<b>Total Revenues</b>	<b>11,058</b>	<b>9,491</b>	<b>19,052</b>	<b>16,010</b>	<b>31,032</b>
Personnel expenses	-5,317	-8,782	-9,987	-18,399	-27,115
Other external expenses	-6,657	-6,693	-12,757	-13,483	-29,280
Depreciation, amortization and impairment	-	-43	-	-93	-93
<b>Total operating expenses</b>	<b>-11,975</b>	<b>-15,518</b>	<b>-22,744</b>	<b>-31,975</b>	<b>-56,488</b>
<b>Operating profit/loss</b>	<b>-917</b>	<b>-6,027</b>	<b>-3,692</b>	<b>-15,965</b>	<b>-25,456</b>
Financial items	-987	-31,317	-1,140	-14,358	-15,653
<b>Profit before tax</b>	<b>-1,904</b>	<b>-37,344</b>	<b>-4,832</b>	<b>-30,323</b>	<b>-41,109</b>
Tax	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-1,904</b>	<b>-37,344</b>	<b>-4,832</b>	<b>-30,323</b>	<b>-41,109</b>



**Condensed consolidated balance sheet**  
**Scout Gaming Group AB (publ) 559119-1316**

Group balance sheet (kSEK)	30.06.2024	30.06.2023	31.12.2023
<b>Assets</b>			
Accounts receivable	6,163	2,000	2,430
Other receivables	4,747	1,978	2,950
Prepaid expenses and accrued income	708	2,083	1,047
Cash and cash equivalents	38,031	56,786	47,332
<b>Total current assets</b>	<b>49,650</b>	<b>62,847</b>	<b>53,759</b>
<b>TOTAL ASSETS</b>	<b>49,650</b>	<b>62,847</b>	<b>53,759</b>
<b>Equity and liabilities</b>			
Share capital	11,853	11,853	11,853
Other capital contributed	423,424	423,424	423,424
Reserves	-89	424	-65
Retained earnings including profit for the period	-407,477	-391,859	-402,645
<b>Total equity</b>	<b>27,711</b>	<b>43,841</b>	<b>32,567</b>
Accounts payable	3,362	154	1,993
Client assets	13,536	10,585	13,390
Other current liabilities	469	2,448	13
Accrued expenses and prepaid income	4,572	5,819	5,796
<b>Total short-term liabilities</b>	<b>21,939</b>	<b>19,006</b>	<b>21,192</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>49,650</b>	<b>62,847</b>	<b>53,759</b>

## Consolidated changes in equity

Comparative period(s)	Share capital	Capital contributed	Reserves	Retained earnings	Total equity
<b>01.01.2023</b>	<b>11,853</b>	<b>423,424</b>	<b>-11,545</b>	<b>-361,536</b>	<b>62,196</b>
Conversion difference			-17,592		-17,592
Profit/loss for the quarter				7,021	7,021
<b>31.03.2023</b>	<b>11,853</b>	<b>423,424</b>	<b>-29,137</b>	<b>-354,515</b>	<b>51,625</b>
Comparative period(s)	Share capital	Capital contributed	Reserves	Retained earnings	Total equity
<b>01.04.2023</b>	<b>11,853</b>	<b>423,424</b>	<b>-29,137</b>	<b>-354,515</b>	<b>51,625</b>
Conversion difference			29,561		29,561
Profit/loss for the quarter				-37,344	-37,344
<b>30.06.2023</b>	<b>11,853</b>	<b>423,424</b>	<b>424</b>	<b>-391,859</b>	<b>43,841</b>
Current period(s)	Share capital	Capital contributed	Reserves	Retained earnings	Total equity
<b>01.01.2024</b>	<b>11,853</b>	<b>423,424</b>	<b>-65</b>	<b>-402,645</b>	<b>32,567</b>
Conversion difference			-201		-201
Profit/loss for the quarter				-2,928	-2,928
<b>31.03.2024</b>	<b>11,853</b>	<b>423,424</b>	<b>-266</b>	<b>-405,573</b>	<b>29,438</b>
Current period(s)	Share capital	Capital contributed	Reserves	Retained earnings	Total equity
<b>01.04.2024</b>	<b>11,853</b>	<b>423,424</b>	<b>-266</b>	<b>-405,573</b>	<b>29,438</b>
Conversion difference			177		177
Profit/loss for the quarter				-1,904	-1,904
<b>30.06.2024</b>	<b>11,853</b>	<b>423,424</b>	<b>-89</b>	<b>-407,477</b>	<b>27,711</b>

## Consolidated statement of cash flows

Group (kSEK)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Profit before tax	-1,904	-37,344	-4,832	-30,323	-41,109
<i>Adjustment for items not included in cash flows</i>					
Depreciation, amortization and impairments	-	43	-	93	93
Non cashflow affecting	409	29,485	-45	12,090	14,129
Tax paid	-	-	-	-	-
<b>Operating activities before change in WC</b>	<b>-1,494</b>	<b>-7,816</b>	<b>-4,877</b>	<b>-18,140</b>	<b>-26,887</b>
Changes in working capital	-1,979	-5,647	-4,444	191	1,534
<b>Cash flows from operating activities</b>	<b>-3,473</b>	<b>-13,463</b>	<b>-9,321</b>	<b>-17,949</b>	<b>-25,353</b>
Sale of subsidiary	-	-	-	-	-1,544
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,544</b>
<b>Cash flow for the period</b>	<b>-3,473</b>	<b>-13,463</b>	<b>-9,321</b>	<b>-17,949</b>	<b>-26,897</b>
Cash and cash equivalents at start of period	41,737	69,830	47,332	74,959	74,959
Exchange rate differences	-233	419	20	-224	-740
<b>Cash and cash equivalents at end of period</b>	<b>38,031</b>	<b>56,786</b>	<b>38,031</b>	<b>56,786</b>	<b>47,322</b>

## Condensed Parent Company income statement

Parent Company income statement (kSEK)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
<b>Total revenue</b>	-	1,102	1,014	1,102	2,685
Personnel expenses	-771	-268	-1,524	-962	-2,396
Other external expenses	-1,592	-2,123	-2,919	-2,870	-6,150
<b>Total expenses</b>	<b>-2,362</b>	<b>-2,391</b>	<b>-4,443</b>	<b>-3,832</b>	<b>-8,545</b>
<b>Operating profit/loss</b>	<b>-2,362</b>	<b>-1,289</b>	<b>-3,429</b>	<b>-2,730</b>	<b>-5,860</b>
Financial items*	-130	-74,270	-11	-73,662	-74,035
<b>Profit before tax</b>	<b>-2,492</b>	<b>-75,558</b>	<b>-3,440</b>	<b>-76,392</b>	<b>-79,895</b>
<b>Profit before tax</b>	<b>-2,492</b>	<b>-75,558</b>	<b>-3,440</b>	<b>-76,392</b>	<b>-79,895</b>

## Condensed Parent Company balance sheet

Parent company balance sheet (kSEK)	30.06.2024	30.06.2023	31.12.2023
<b>Assets</b>			
Financial assets	63,870	63,870	63,870
<b>Total non-current assets</b>	<b>63,870</b>	<b>63,870</b>	<b>63,870</b>
Group internal receivables	10,817	-	6,550
Other receivables	174	429	619
Prepaid expenses and accrued income	706	640	334
Cash and cash equivalents	27,257	46,855	35,209
<b>Total current assets</b>	<b>38,953</b>	<b>47,925</b>	<b>42,712</b>
<b>TOTAL ASSETS</b>	<b>102,823</b>	<b>111,795</b>	<b>106,582</b>
<b>Equity and liabilities</b>			
Share capital	11,853	11,853	11,853
Other contributed capital	379,468	379,468	379,468
Retained earnings including profit for the period	-289,643	-282,700	-286,203
<b>Total equity</b>	<b>101,678</b>	<b>108,621</b>	<b>105,118</b>
Accounts payable	496	205	310
Other current liabilities	217	2,315	154
Accrued expenses and prepaid incomes	431	653	1,001
<b>Total current liabilities</b>	<b>1,145</b>	<b>3,174</b>	<b>1,465</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>102,823</b>	<b>111,795</b>	<b>106,582</b>

## SIGNATURES AND ASSURANCE

This 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, August 15th, 2024

Niklas Braathen, Chairman

Fredrik Rūden, Member

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Scout Gaming Group AB (publ)

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Corporate identity number: 559119-1316

## 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 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, including contract employees in Ukraine

**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