



SCOUT
gaming group



**Company presentation
November 2019**

Agenda

Introduction

Position and market

Business overview

Operations

Client development

Strategy & way forward

Financials

Appendix



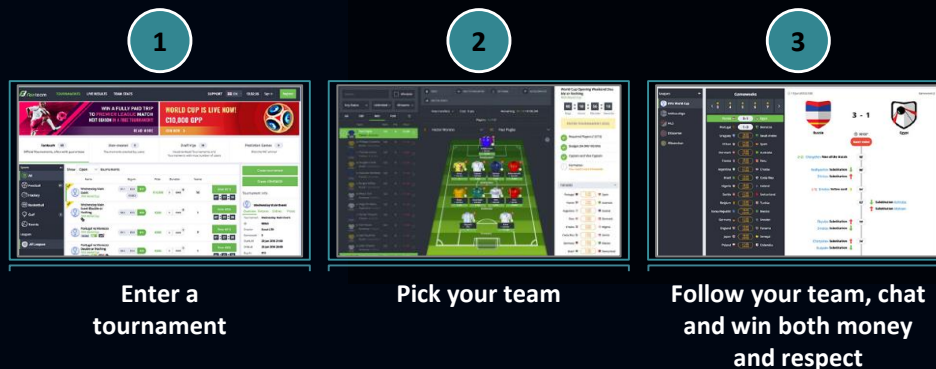
Scout Gaming – A leading Fantasy Sports provider

A global B2B provider of Fantasy Sport solutions

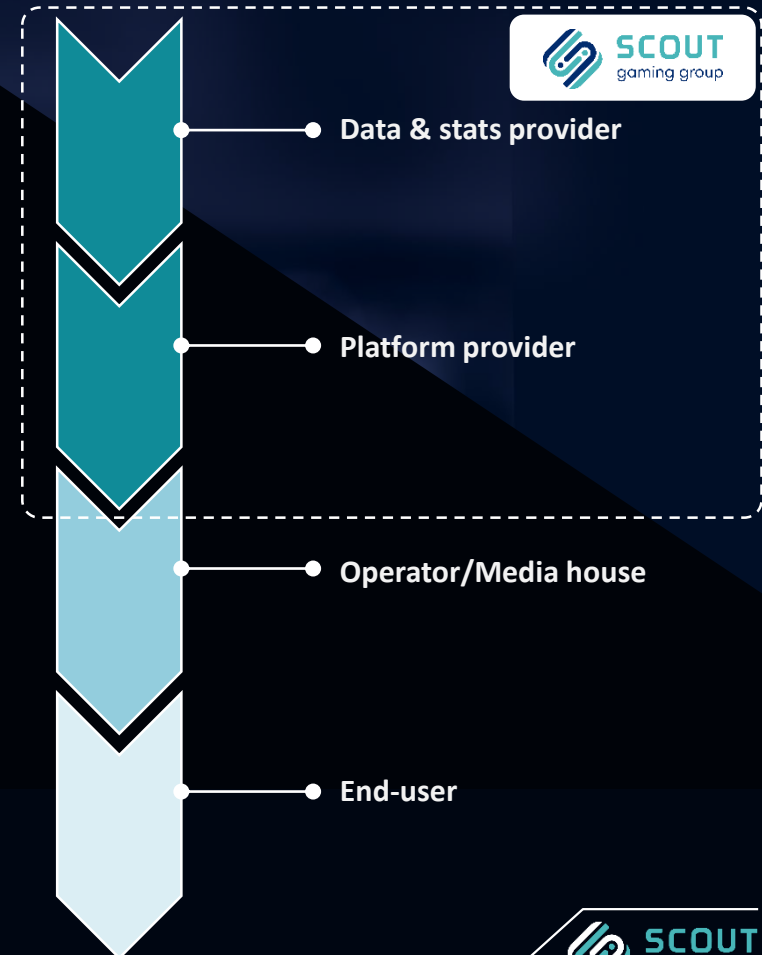
Superior full-service provider of Fantasy Sports

- Founded in 2013, Scout is a leading Fantasy Sports (“FS”) & Daily Fantasy Sports (“DFS”) B2B supplier globally
- Focus on high value clients and network liquidity
- Utilizes a modern technology platform
- Offers multiple game formats centered on DFS solutions
- Focused on continuously improving the offering and develop new innovative products
- Listed on Nasdaq First North Stockholm
- Gaming licenses in Malta and the UK

Fantasy Sports overview



The value chain

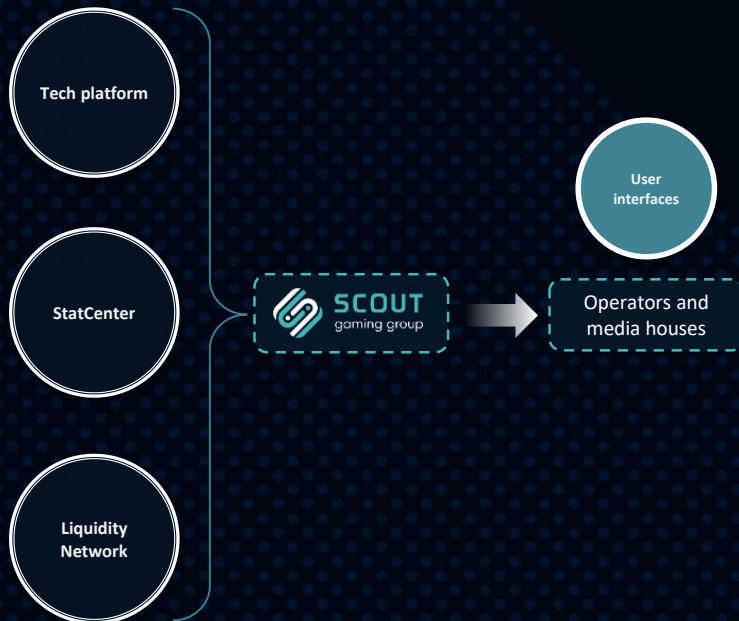


Business at a glance

Highly scalable business model and large client base to lever on

Business model

- Scout Gaming mainly operates on a revenue share model, thus Scout's growth is dependent on its clients' success
- The foundation of the strategy is based on scalability and the majority of the cost base is fixed
- Continuous investment into new product innovations and proprietary technology to maintain market superiority



Largest client base in the market



Partners & integrations



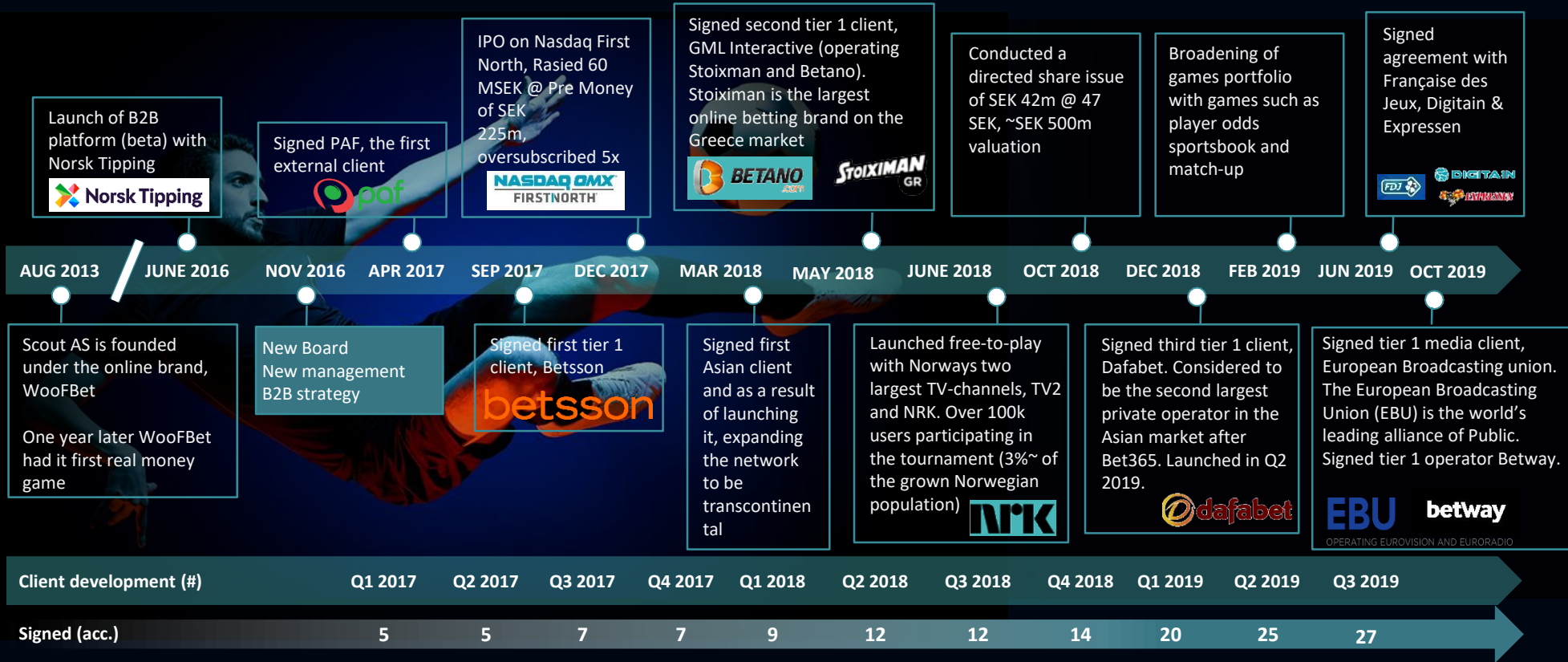
Market leading award winning B2B supplier



Key events since inception

Journey towards becoming the market leading B2B provider of Fantasy Sports solutions

Scout's journey from inception



Highly experienced team

Skilled team with over 50 years of industry experience

Management team



Andreas Ternström
CEO

- Previously CEO at Bonnier Gaming and Business Development director at TV4
- Co-founder Offerta & RedMessage
- Shares: 402,340¹⁾
- Warrants: 40,000¹⁾



Billy Degerfeldt
CFO

- Background from the financial sector
- Wide experience from working with small and mid cap companies
- Shares: 63,798¹⁾
- Warrants: -



Andreas Sundal
CPO/Founder

- Extensive experience from gambling and IT, online and apps
- Engineer, Bergen
- Shares: 803,464¹⁾
- Warrants: 20,000¹⁾



Alexandru Gris
CTO

- Previous experience include positions at EveryMatrix and Ubisoft
- Shares: -
- Warrants: -



Joakim Renman
CCO

- Extensive experience from B2B business dev. in gambling sector
- Previously at NYX, NetEnt, Wiraya, and B2C gambling
- Shares: 8,417¹⁾
- Warrants: -

Other key people



Rolf Blom
Chairman

- Previously Chairman for Cherry Group, Betsson and Net Ent
- Background with focus on B2B and international expansion
- Shares: 451,462¹⁾
- Warrants: -



Jörgen Ragnarsson
Board member

- Board member in Scout AS, Greentrax LTD and GreenTracts AB
- Co-founder of NYX Interactive which was acquired by SGC
- Shares: 44,897¹⁾
- Warrants: -

TV4-GRUPPEN



WIRAYA

NYX
GAMING GROUP

Cherry

NETENT

betsson

UBISOFT

METRIC
GAMING

BONNIER
LOTTERY

Well-renowned ownership base

Stock information and largest shareholders

Comments

- 1) Atle Sundal Holding AS is the largest shareholder in Scout, controlling 10.9% of the shares in the Company. Atle Sundal is the largest shareholder in Atle Sundal Holding and is active as a board member in Scout. In addition, Andreas Sundal, the Company's CPO, holds another 6% of the shares and votes via Andreas Sundal Holding AS
- 2) Swedbank Robur Fonder is a Swedish institutional investor anchor investor in the IPO and participated in directed share issues during Q3 2018 and Q2 2019
- 3) Rolf Lundström owns 8.9% of Scout via Novobis AB and is known for e.g. being a significant shareholder in the investment company Svolder as well as in NetEnt and Betsson
- 4) Knutsson Holdings AB, represented by the board member Anders Enochsson, has been in the shareholder list since before the IPO and is currently owning 8.2% of the Company. Knutsson Holding AB also holds significant ownership stakes in Betsson and NetEnt
- 5) Björn Fjellby is one of the co-founders of Scout and is today active as the Company's POO (Product Operating Officer) but is not part of the management team.
- 6) Matt Davey, through Tekkorp LLC, is well-known gambling veteran and global entrepreneur within the sector. Recently served as CEO on Nasdaq listed Scientific Games Digital.
- 7) Other current owners include e.g. 1) Lars Wingefors (3.0% of the shares) which is the majority shareholder in THQ Nordic, 2) NAXS AB (2.8% of the shares) which is a listed company primarily investing in PE funds backed by QVT Financial LP, 3)
 - +30% owned by founders, management and board
 - Institutional investors currently owns +15%²⁾

Top 10 shareholders¹⁾

#0 94	Owner	# shares	Capital	Votes	Country	Verified
1	Atle Sundal Holding AS	1,578,705	10.9%	10.9%	Norway	2019-09-30
2	Nordnet Pensionsförsäkring	1,348,126	9.3%	9.3%	Sweden	2019-09-30
3	Swedbank Robur Fonder	1,295,440	8.9%	8.9%	Sweden	2019-09-30
4	Novobis AB	1,244,082	8.6%	8.6%	Sweden	2019-09-30
5	Knutsson AB	1,189,327	8.2%	8.2%	Sweden	2019-09-30
6	Avanza Pension AB	980,858	6.8%	6.8%	Sweden	2019-09-30
7	Andreas Sundal Holding AS	803,464	5.5%	5.5%	Norway	2019-09-30
8	Björn Fjellby Holding AS	729,731	5.0%	5.0%	Norway	2019-09-30
9	Tekkorp LLC	494,128	3.4%	3.4%	USA	2019-09-30
10	Rolf Blom	458,962	3.2%	3.2%	Sweden	2019-08-31
Total top 10		10,094,322	69.5%	69.5%		
7	Other current owners	4,439,133	30.5%	30.5%		
Total		14,533,455	100.0%	100.0%		

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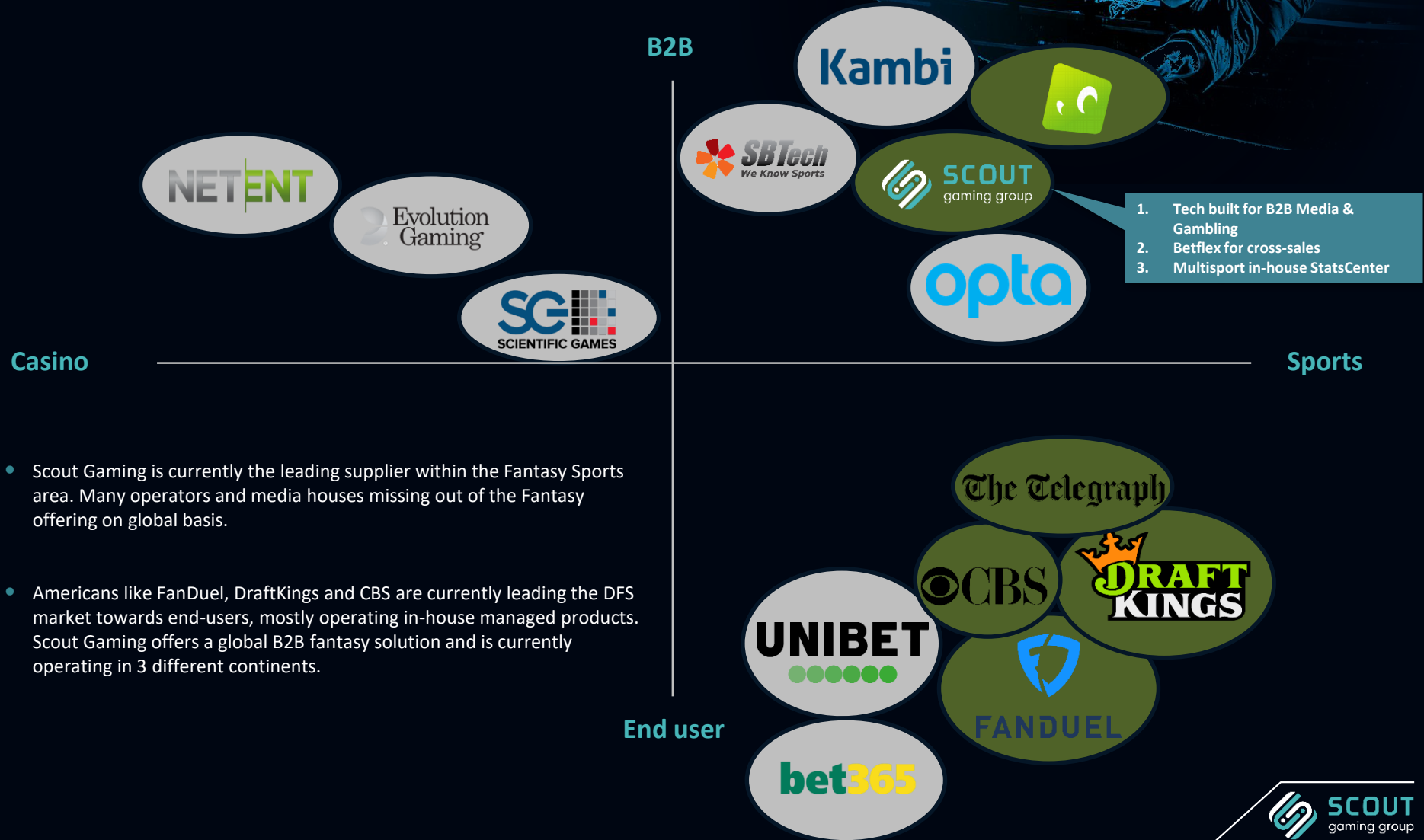
Financials

Appendix



Scout's position and value chain

Scout is well positioned to become a leading B2B provider, **Offering Fantasy vs Currently not offering fantasy**



- Scout Gaming is currently the leading supplier within the Fantasy Sports area. Many operators and media houses missing out of the Fantasy offering on global basis.
- Americans like FanDuel, DraftKings and CBS are currently leading the DFS market towards end-users, mostly operating in-house managed products. Scout Gaming offers a global B2B fantasy solution and is currently operating in 3 different continents.

Structural growth in the Fantasy Sports market

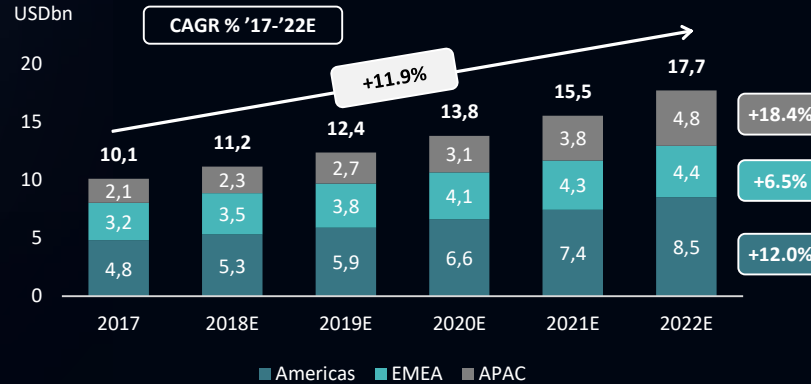
+10% CAGR market expected from 2017 to 2022E

Comments

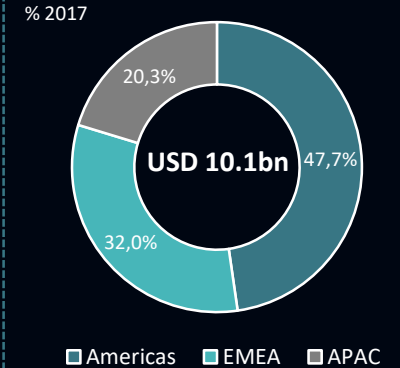
- The global Fantasy Sports market amounted to USD 10.1bn in 2017 and is expected to grow at a CAGR of 11.9% from 2017 to 2022E
- Americas is the largest region, accounting for close to 50% of the market in 2017, and is expected to experience strong growth in the coming years, with a CAGR of 12.0% from 2017 to 2022E
- EMEA is the second largest region, accounting for slightly above 30% of the overall market, with an expected CAGR of 6.5% from 2017 to 2022E
- APAC is the smallest but the fastest growing region, with an expected CAGR of 18.4% from 2017 to 2022E
- The market is recognised as rather juvenile, having past the early innovation phase and entered the growth phase, with strong expected growth in the coming years
- In terms of spending, DFS players have a higher willingness to pay compared to other Fantasy Sports players where DFS players spend about USD 318 per year compared to USD 184 for FS players. Further, DFS players have increased its willingness to pay significantly during recent years, increasing its annual spending by close to 64 times from 2012 to 2016

Global Fantasy Sports market

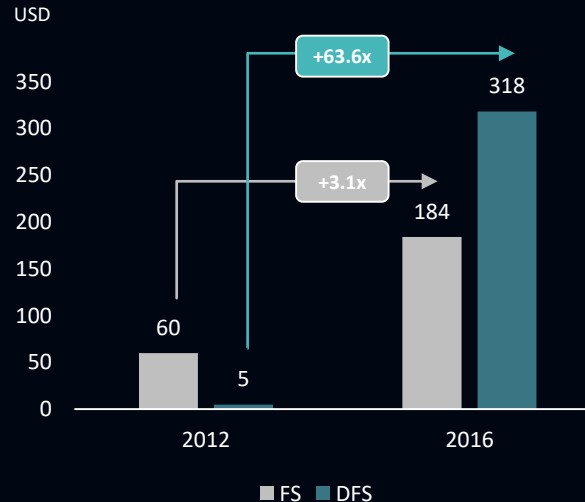
Historical and forecasted development¹⁾



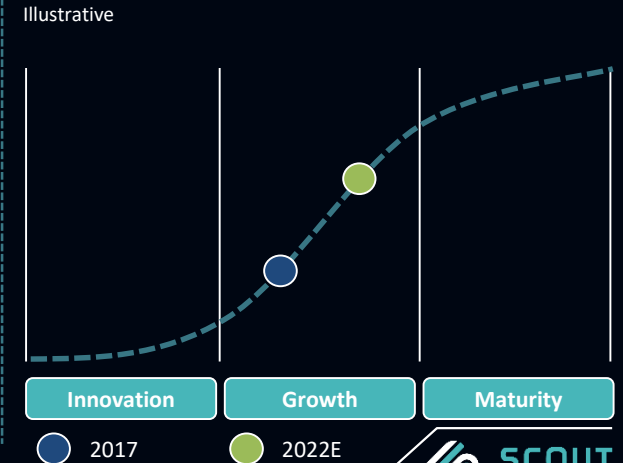
Market share per region¹⁾



Annual player spending (FS vs. DFS)²⁾



Market maturity¹⁾



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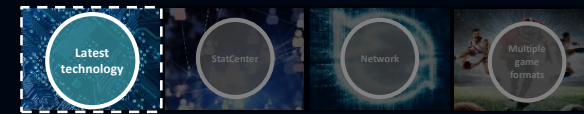
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Appendix



Proprietary tech platform

Flexible, modern and easy to integrate for both wallet and frontend



Core pillars of Scout's Fantasy gaming platform:

Easy and quick to integrate and configure

- Only a minimal setup of API callbacks is required to set up a client. Branding is something either Scout or the client can do

Adaptability and flexibility

- Both multitenant (default) or single-tenant (on request) deployments are possible, allowing us to serve customers with different scales and performance needs, and to bring the solution closer to the end-user location (Europe, Asia, Americas) if needed, for decreased latency

Performance, extensibility, availability

- Scout Gaming put great effort into creating a technical solution designed to self balance and self heal, allowing for continuous operation, both in normal cases of software upgrades, and in the less fortunate cases of hardware and software failures

Compliance

- Technical compliance is very swift with the chosen new technology

Mobile first

- Technology and games are developed with a mobile first approach

Given the structure of our system, we are able to:



Integrate in a matter of weeks

Integrate a client end-to-end in a matter of weeks as opposed to months



Build new games in a matter of weeks

Build new games (e.g. matchup) in weeks as opposed to months



Add new sports in a matter of weeks

Add new sports and new games based on these new sports in weeks as opposed to months



Mix, match and build new game types

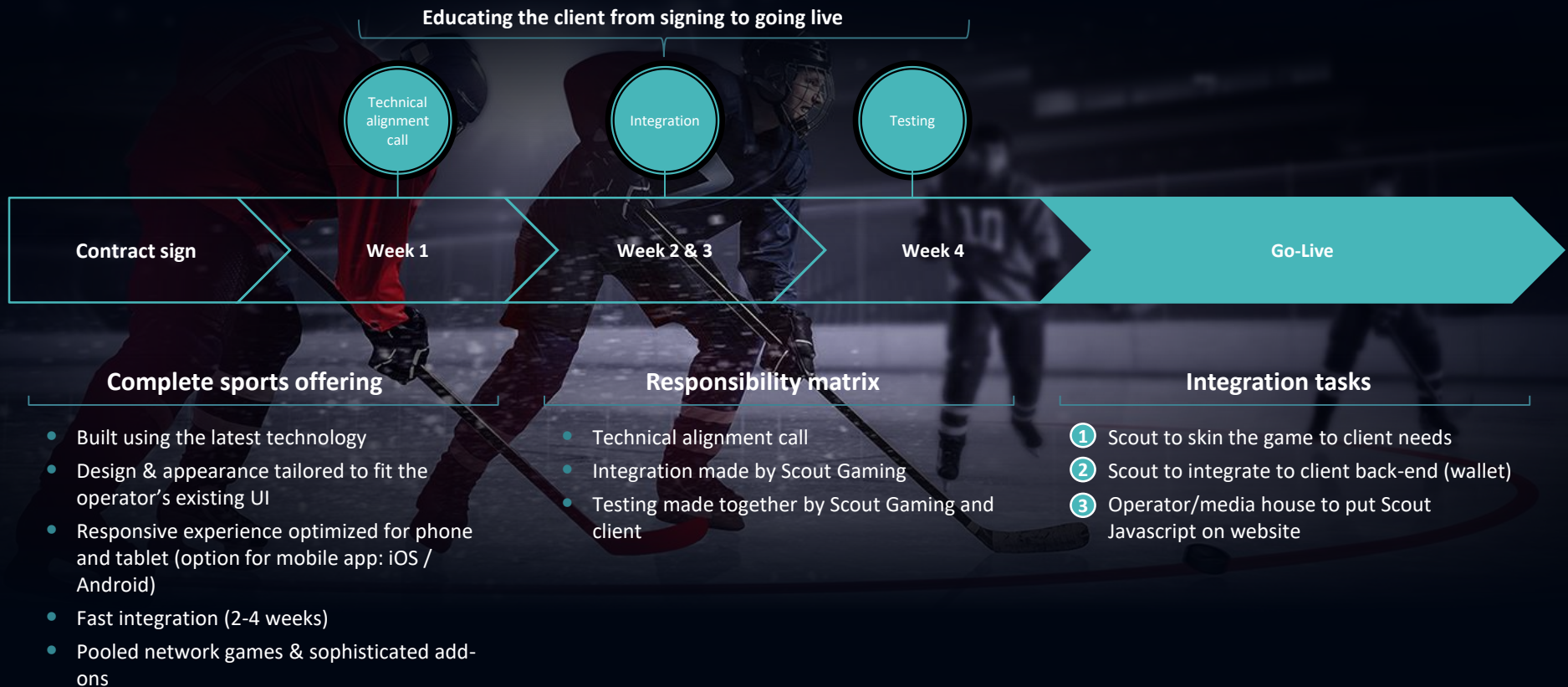
Unleash creativity of our game designers to build new games by mixing and matching various concepts (xFP, Fantasy Rules, Fixed Odds, Live Event Streams)

Record-breaking fast time to market

Swift process from initial client contact to going live



Illustrative project timeline



A fully supportive in-house StatCenter...

Based on the latest technology and architecture



Scout has set up a team that delivers all the pricing and live updates needed. The team is based in Ukraine and consists of sports-analysts and statistic operators



In-house system handling:

- Setup of new sports/leagues/events
- Pricing and live updates
- Player statuses (injuries, suspensions, expected back etc.)



Scout's in-house StatCenter provides all data and pricing of players, odds setting and squad maintenance. On request, local sports and leagues can also be supported. Own rules-sets can easily be configured



In-house StatCenter advantages:

- Ability to supply any sport, league or event*
- Secure quality for pricing and live update for e.g. odds on players
- Scout owning the data give the operator advantage to use stats in marketing without any extra cost

...enables a broad sports offering

Covering multiple sports across the globe



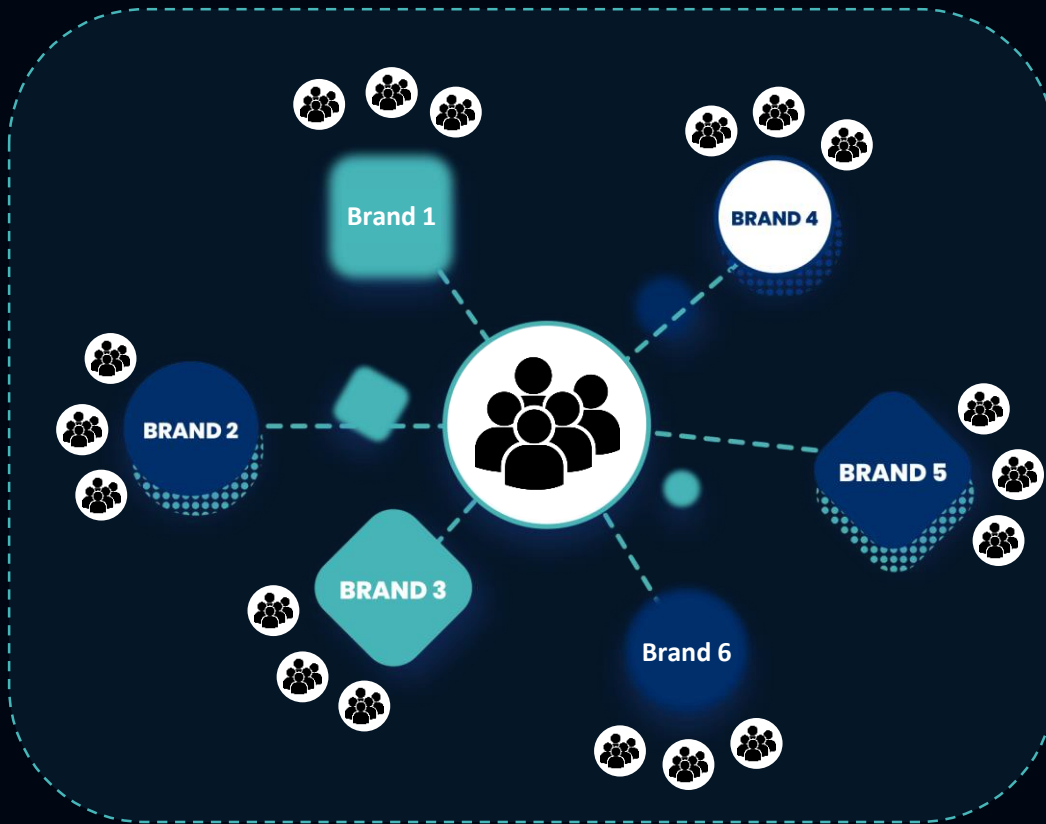
Soccer	
Cricket	
Ice hockey	
Basketball	
Tennis	
E-Sport	
American football	
Baseball	
Formula 1	
Kabaddi	
Golf	
Winter sports	

+

Any sport
Any event
On request

Unique B2B global liquidity network

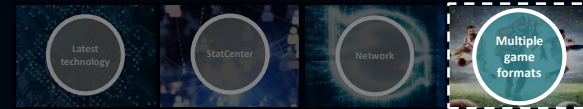
Global network liquidity that provide value for both small and large operators



Scout offers the only B2B global Fantasy Sports liquidity network, providing a large community of active end-users and big cash prizes. This ensures an optimum player experience with guaranteed prize pools from day one

Scout manages the network arranging contests and tournaments which are available to end-users of all participating operators that thereby pool liquidity whilst still operating their unique site and brand

Seasonal and Daily Fantasy Sports



The Seasonal Fantasy Sports offering leads traffic to the betting sites, on where DFS is offered

Traffic generation

Seasonal Fantasy Sports



- Draft and manage a team for an entire season
- Real money, play-for-fun and prize competitions
- Official and user created tournaments
- Live updates of results and standings
- Second screen experience to broadcasts
- Possible to invite friends/colleagues/customers to exclusive and tailored tournaments

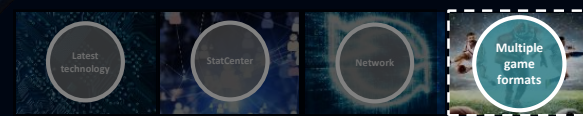
DFS (Daily Fantasy Sports)



- Draft and manage a team; single, weekly or game round
- Paid entry with multiple prize distribution options
- Official/user-created, network, ring-fenced games
- Live updates of results and standings
- Second screen experience to broadcasts
- Possible to invite friends/colleagues/customers to exclusive and tailored tournaments

Traffic generation

DFS: Betflex – cross-selling tool



Multiple revenue streams, cross-selling, loyalty and a long-time on-screen player relationship

Overview of cross-selling concept

Acquisition & loyalty tool

1 DFS players shows significantly higher loyalty than other games. Coupled with lower acquisition costs this gives the operator a superior acquisition and loyalty tool. Moreover a typical Fantasy Sports player primarily interests in sports and plays in order to prove his skills to other users

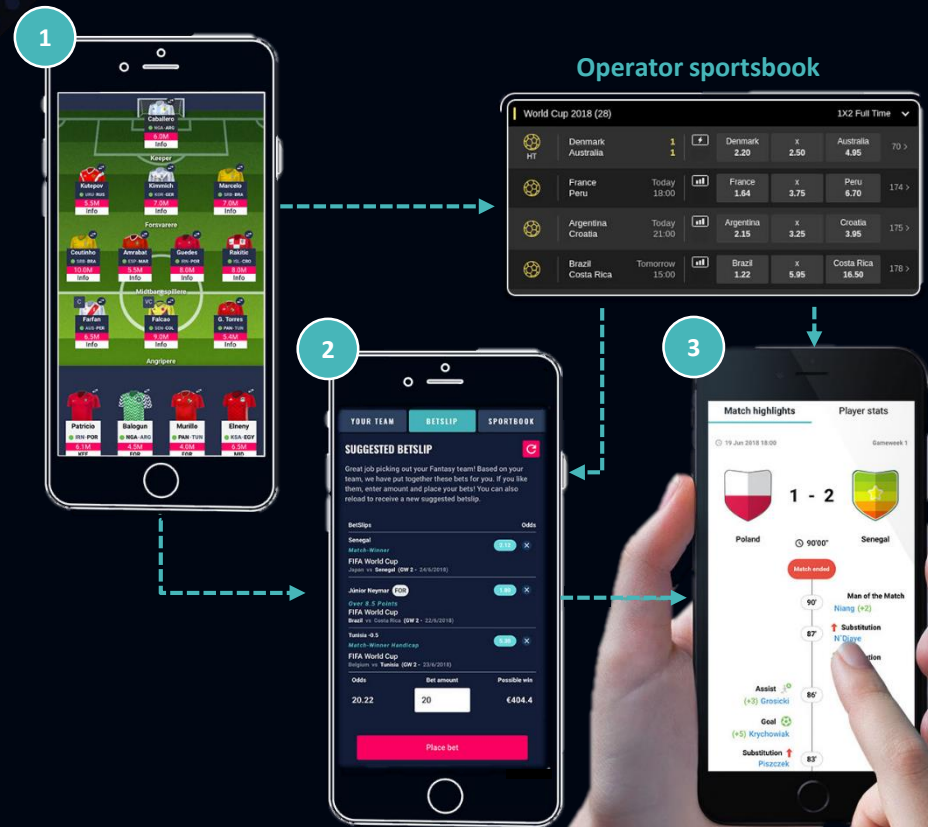
Cross-selling tool

2 When the player has entered into a tournament and is satisfied with the team, the operator has a complete analysis of the users expectations for the coming games. For this Scout has developed the cross selling tool Betflex, a prefilled bet slip with super relevant odds based on the players analysis. The bet slip pops up just after the players have submitted their team. By using the cross selling tool, the player is no longer betting against his friends but instead against the sportsbook operator connected to the service

Second screen & site exposure

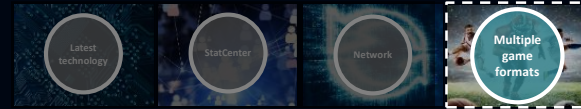
3 After capturing the players pre-event attention, players will chat and follow their fantasy team live on the operators' "Liveupdate" site. This gives the operator further opportunity to capitalize on Betflex and push relevant live odds during the games

Illustrated



Additional newly launched products

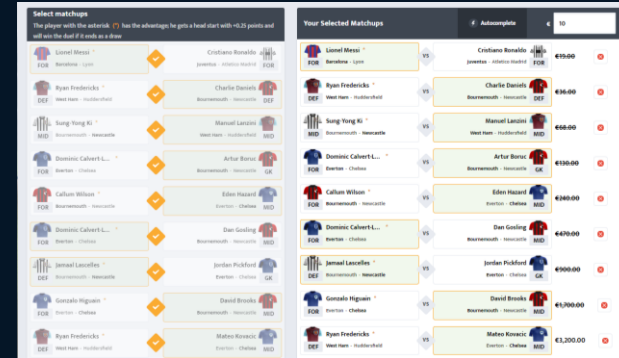
Scout will continue to build new innovative products built on their underlying player points



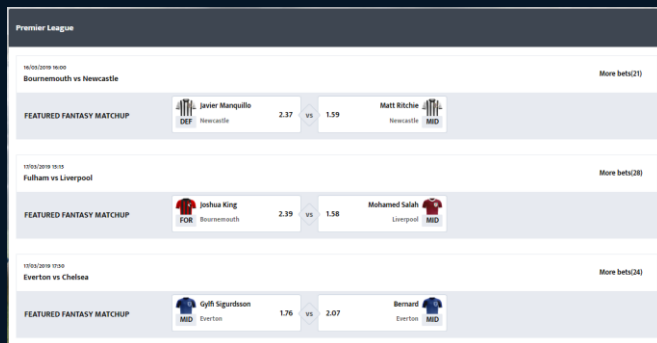
In-Play Fantasy



Fantasy matchup



An in-house developed sportsbook



Innovative retail product



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Global reach with several clients and partners signed

Scout Gaming is a global provider of B2B DFS solutions



Case study – Fanteam

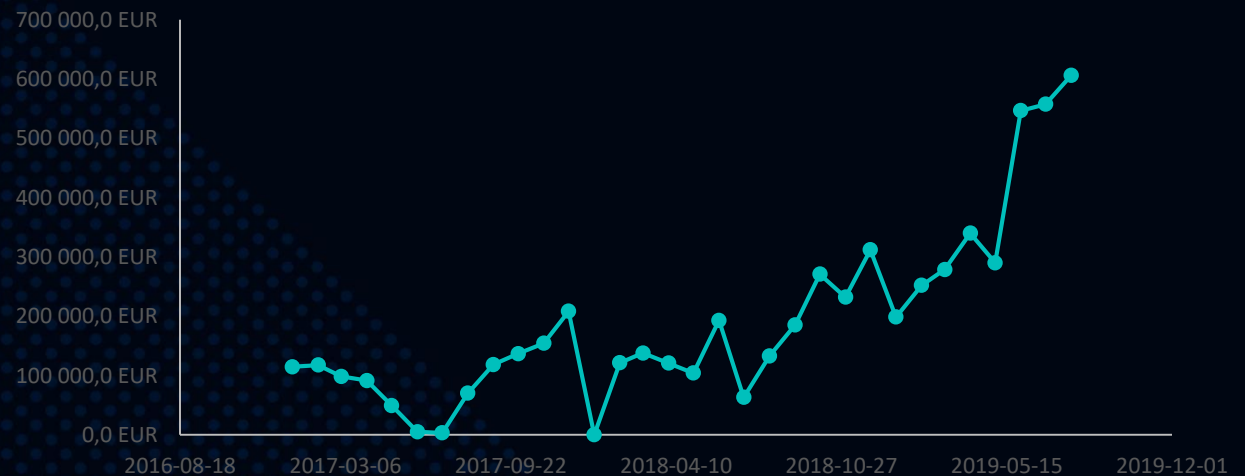
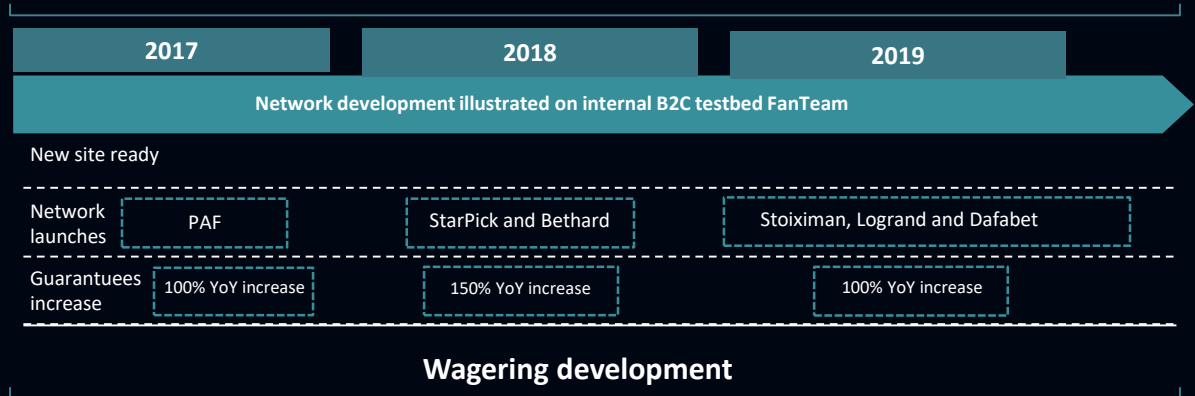
Project overview from start to finish

Comments

- Fanteam is Scout Gaming Group's testbed for product development and has therefore been allocated minimal marketing resources
- Despite really low marketing costs in relation to GGR, avg 3-4% per month since inception of 2017, Fanteam has grown significantly. With ARPU stable around 25 EUR/month and record low churn, it clearly demonstrate the potential in term of player value
- The increase in numbers of players also demonstrates the increasing popularity. Fanteam is currently operating without any team dedicated to new player acc, CRM, affiliate team etc. Growth of number of players is therefore remarkable

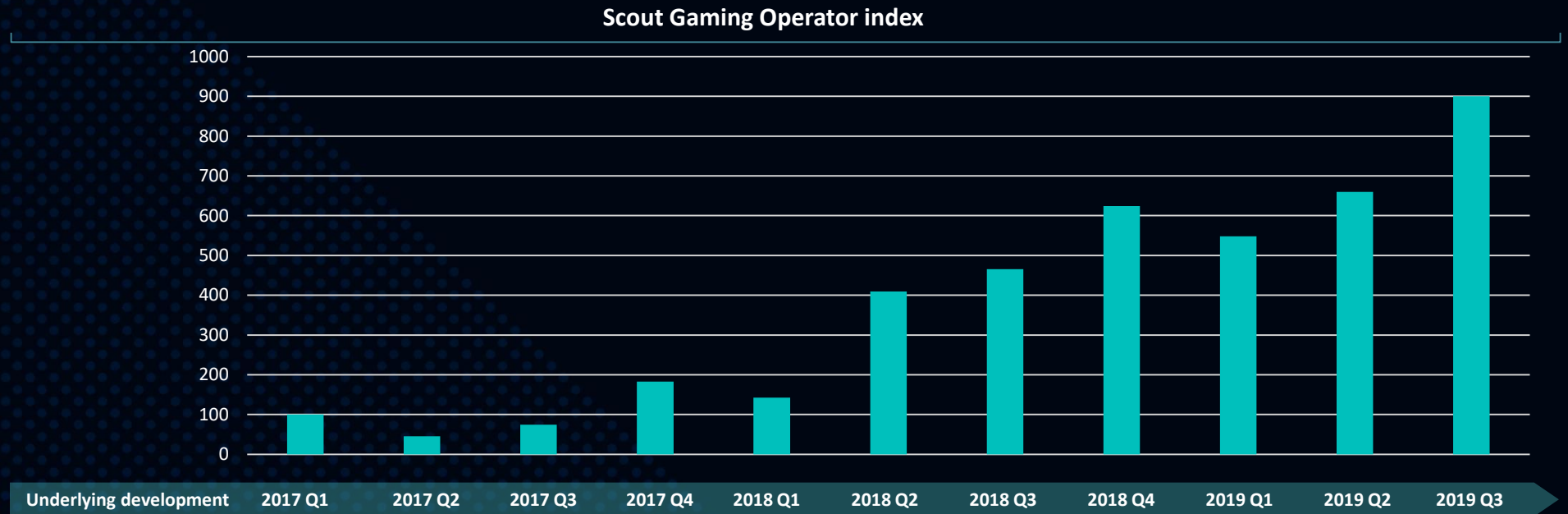


Timeline 2017-2019



Operator Trading Index

All time high in Q3, even though a slow July affected the quarter



- Scout's client activity has increased significantly during the third quarter, which is illustrated by the Scout Gaming operator Index that reached a new all-time high of 900. The index level corresponds to a growth of 94% compared to the same quarter last year, which included activity peaks from the Soccer World Cup.
- Network effect is clearly demonstrated at an early stage, e.g. the flagship tournament "Main Event PL" has grown from 2k EUR to 50K EUR from autumn 2016 to autumn 2019.

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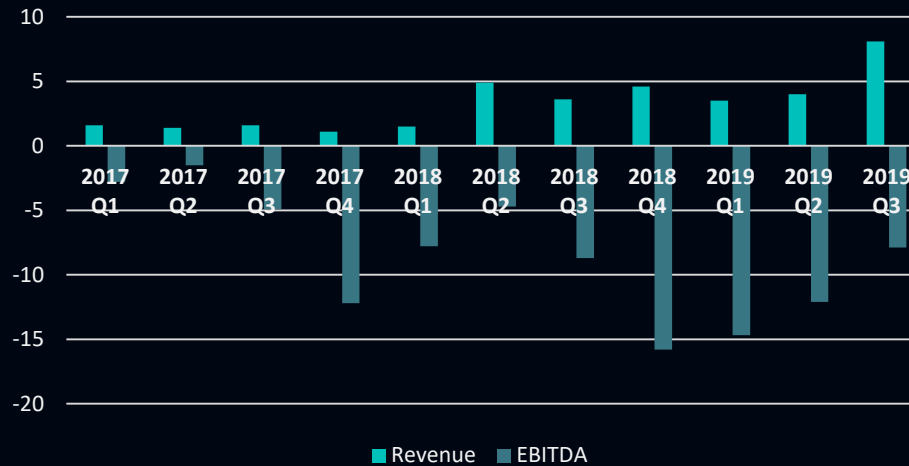


Financial development

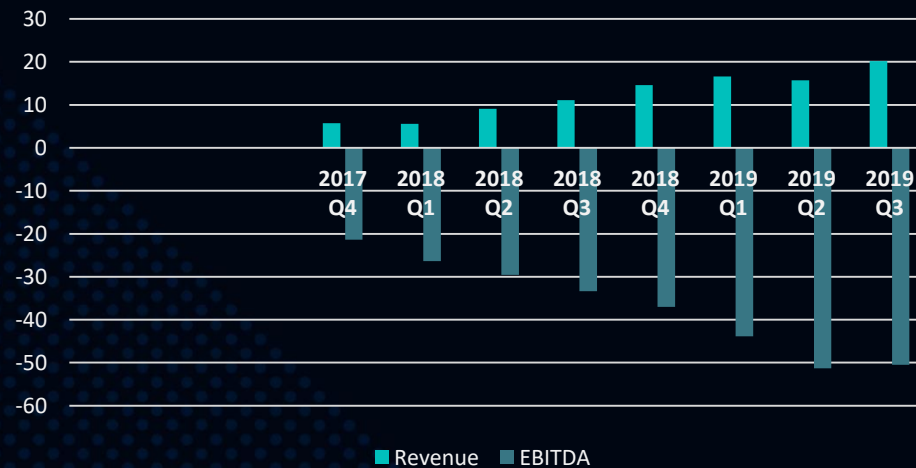
Investments starting to pay off in Q3

- During the third quarter, after an initial learning period regarding Scout's offering, major clients have started to market our products. We have contracted and launched new clients, increased our prize pools and launched new betting related games such as our internal sportsbook, covering fantasy markets. This has resulted in all-time high revenues and improved profitability measures across the border.
- The focus on signing new clients has resulted in a cost level that has induced a trend of increasing losses. This trend has ended during the third quarter. We now expect successively improved earnings going forward. Volatility between quarters may continue to occur as a result of larger customer launches and events but should decrease as the revenue base grows.
- Scout Gaming launched its first external B2B customer in the third quarter of 2017, with revenues totaling SEKm 1.6. Since then, revenues have increased fivefold as we have launched new customers, larger prize pools and new games. The focus on signing new clients has resulted in a cost level that has induced a trend of increasing losses. This trend has ended during the third quarter. We now expect successively improved earnings going forward. Volatility between quarters may continue to occur as a result of larger customer launches and events but should decrease as the revenue base grows

Quartely development



Trailing LTM



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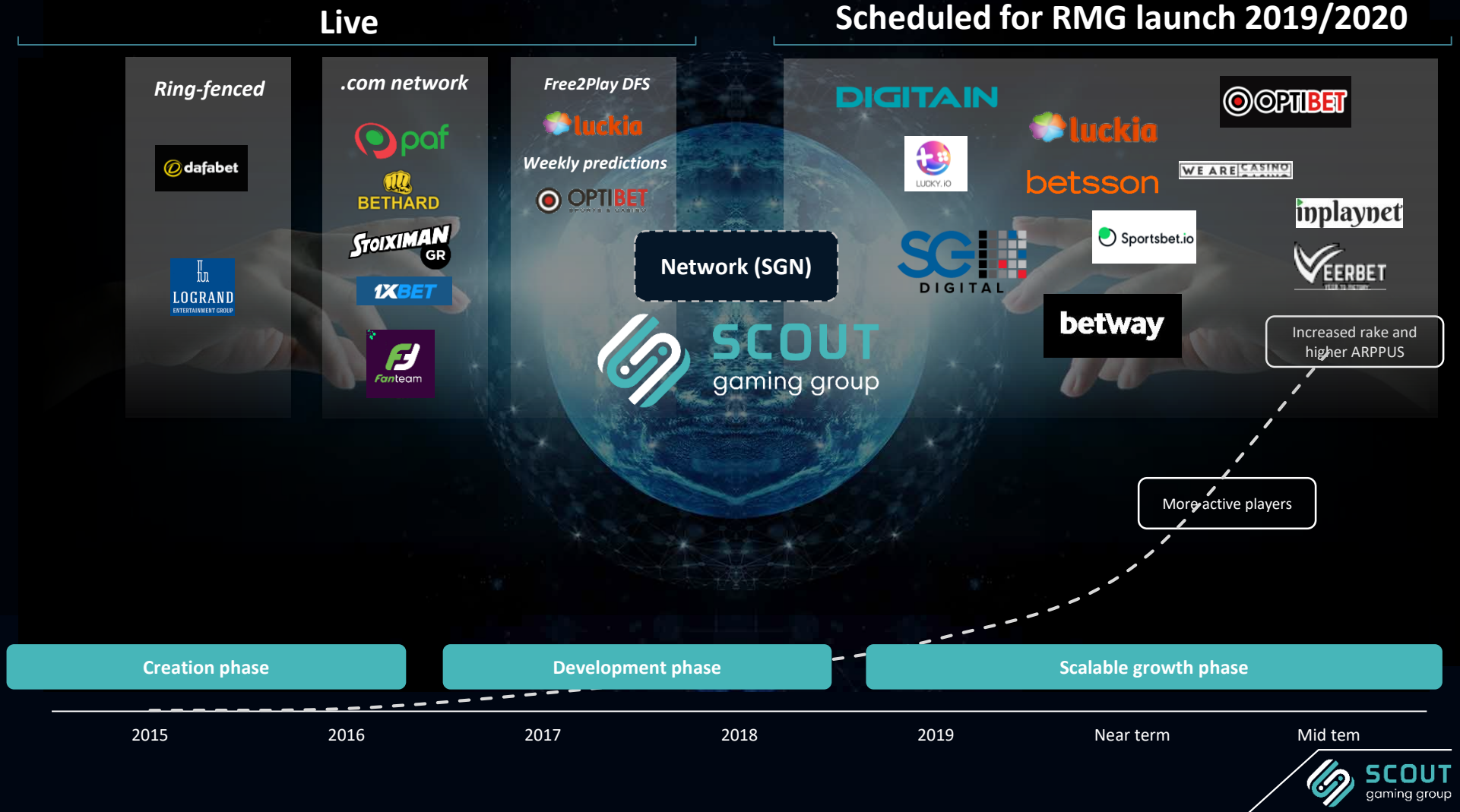
Strategy & way forward

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Scout Gaming Network (RMG)

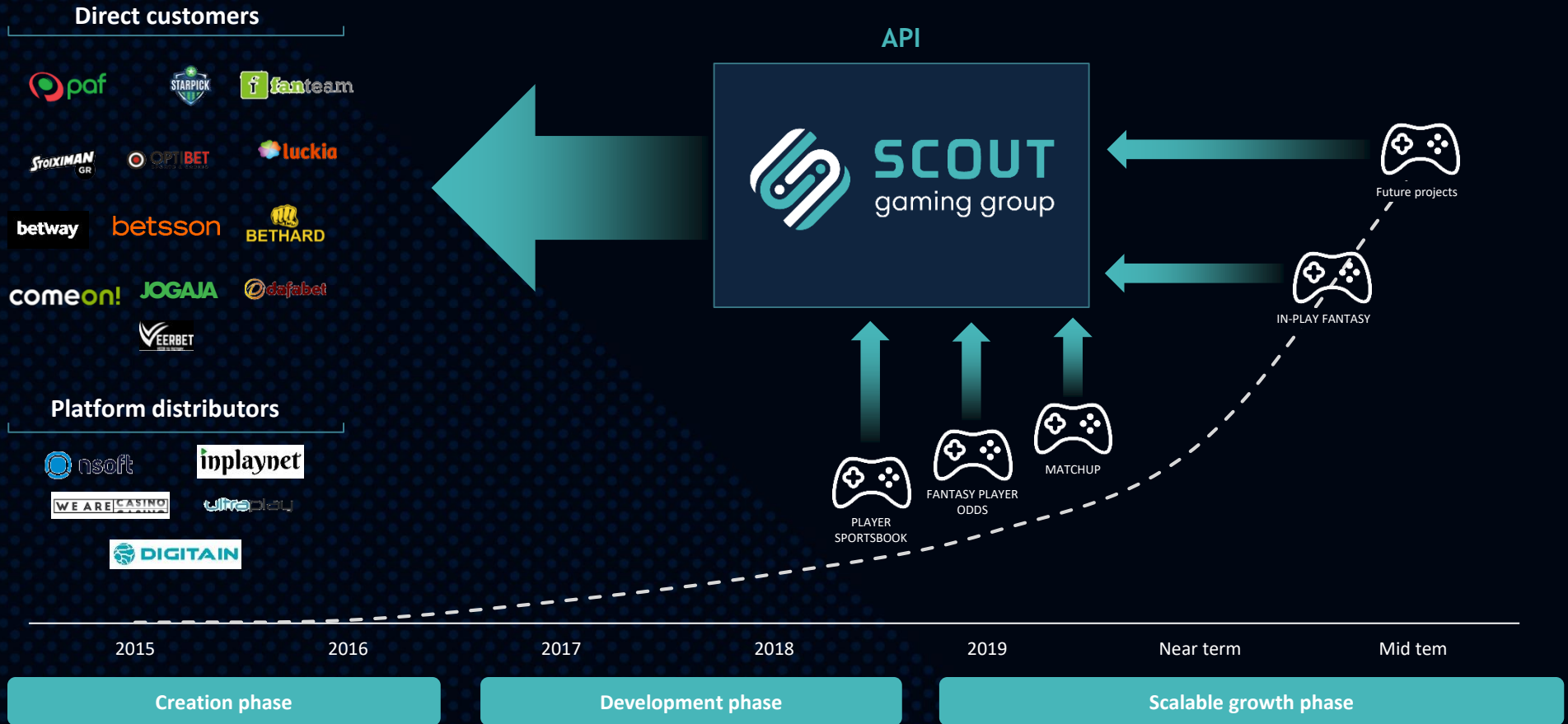
Pooled network liquidity with higher prize pools gives higher activity and increased rake



Untapped potential to upsell through product innovation

An already integrated distribution network for new products (except for DFS)

Network connected and already integrated for taking new products



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The growth of the Fantasy Sports market

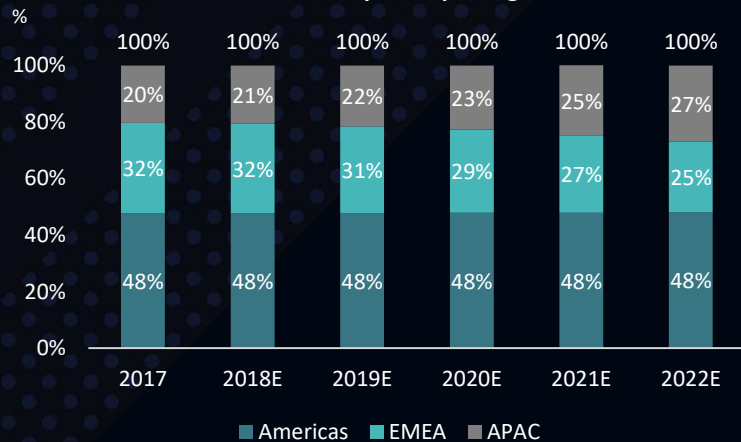
The Americas region is expected to maintain its dominating position in the FS market

Comments

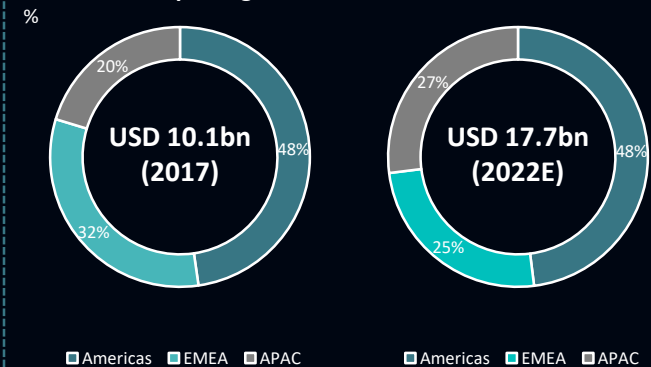
- The Americas dominates the FS market with an overall market share of 48%, followed by EMEA and APAC
- From 2017 to 2022E APAC is expected to grow significantly and increase its overall market share from 20% in 2017 to 27% in 2022E
- In terms of sports, soccer is the most popular category with a market share of 41% in 2017, followed by baseball (14%), football (12%), basketball (8%) and other sports (25%)

Global Fantasy Sports market¹⁾

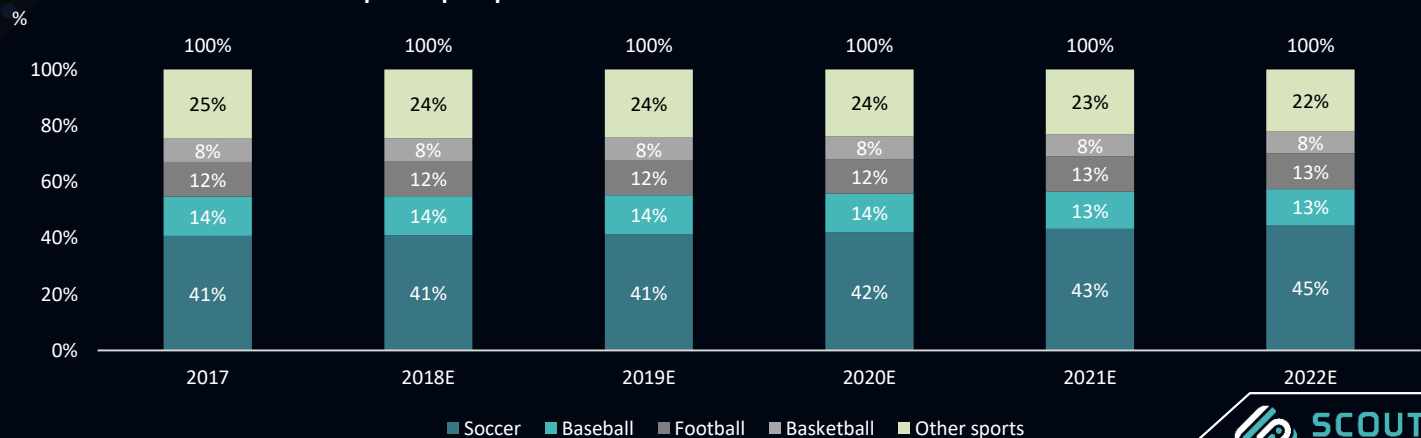
Historical and forecasted development per region¹⁾



Market share per region¹⁾



Historical and forecasted development per sport¹⁾



The growth of the Fantasy Sports market

The market is driven by dedicated players with high willingness to pay

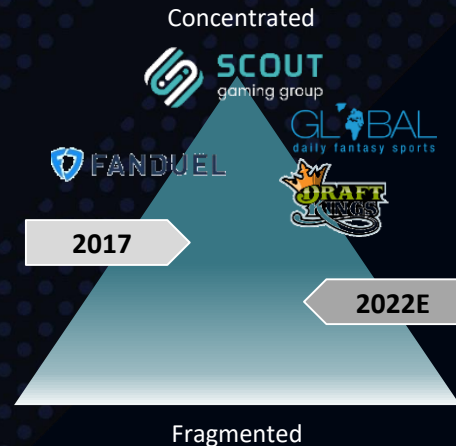
Comments

- In terms of structure, the Fantasy Sports market is rather concentrated to a few significant players, such as Scout, Fanduel and DraftKings. Going forward, the landscape is expected to get more fragmented following continuous innovations and establishment of new players
- Compared to sports betting, Fantasy Sports players apply more skill, collect more stats and data and carry out various analysis to make more thoughtful decisions
- DFS is a fast growing branch within FS that is expected to grow at 55% CAGR the coming years, coupled with high spending players

Global Fantasy Sports market¹⁾

Market structure¹⁾

Illustrative



FS vs. sports betting players²⁾

Attributes		Fantasy Sports	Sports betting
More skill		✓	✗
More stats & data		✓	✗
More analysis		✓	✗
More time consuming		✓	✗

DFS major stats²⁾



10 million

Registered users of which 4.7 million are active players



\$1.2bn

Is the DFS market expected to hit by 2020E, corresponding to a 55% CAGR from today



10% spend

\$2,000 or more a week on entry fees



\$5.3bn

Are DFS players expected to spend by 2020E

The online gambling market is growing

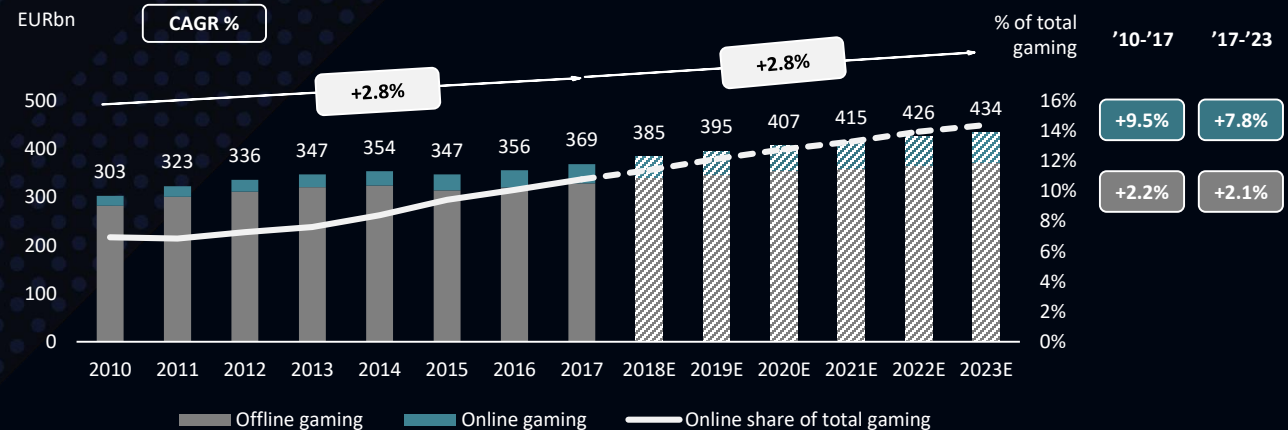
Strong underlying market growth expected in the coming years

Comments

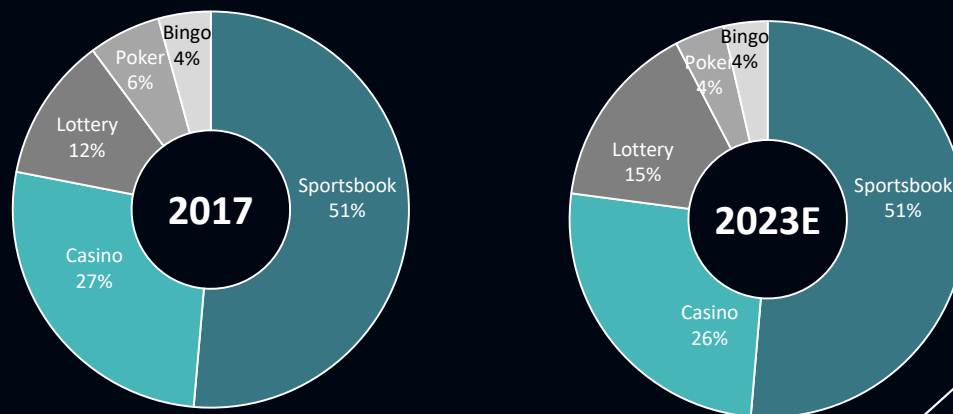
- The global gambling market has grown from EUR 303 billion in 2010 to EUR 369 billion in 2017
- Over the same period, the online share of global gambling has increased from 6.9% to 10.8%
- From 2017 to 2023E the overall market is expected to grow by a CAGR of 2.8%, reaching EUR 434 billion in 2023E. The online share of the market is expected increase further, reaching 14.4% of total sales in 2023E
- Scout's overall parent market – the global online gambling market – has expanded from EUR 21.1 billion in 2010 to EUR 39.8 billion in 2017
 - By 2023E, the market is estimated to be worth EUR 62.5 billion
 - Between 2017 to 2023E the online segment is expected to grow at a CAGR of 7.8%
- The split between various online gaming categories is relatively stable year on year
- Sportsbook is the largest category, accounting for 51% of sales in 2017, followed by Casino (27%), Lottery (12%), Poker (6%) and Bingo (4%)

Global gambling market

Historical and forecasted development¹⁾



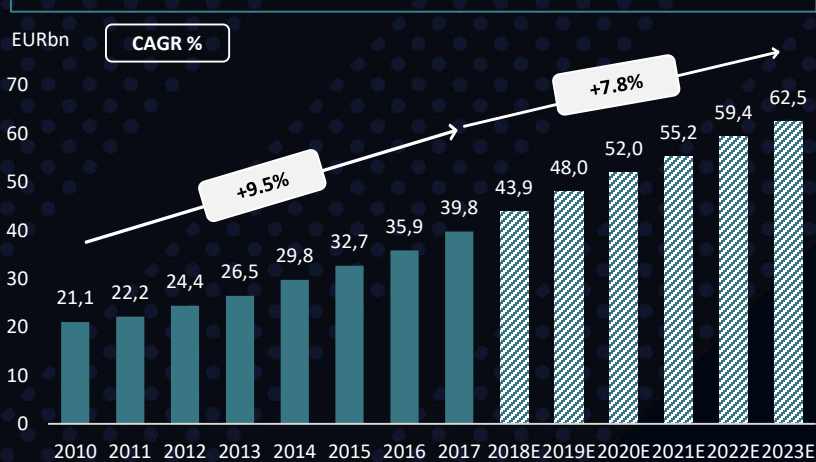
Global online gaming market by category



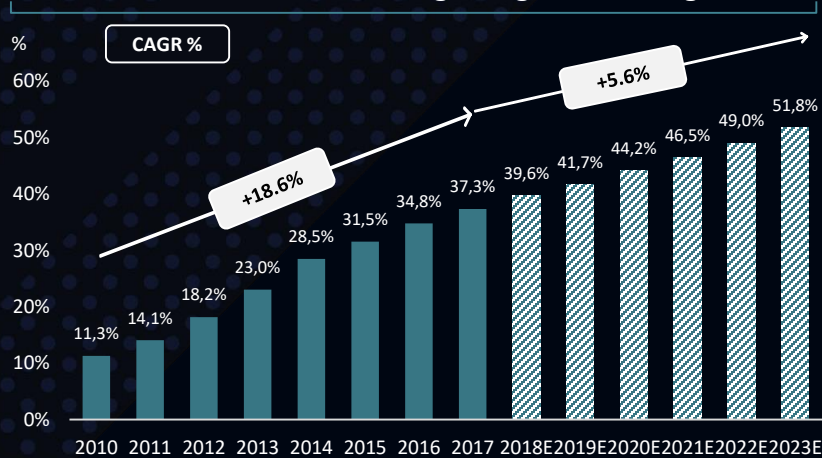
Drivers for the online gaming market

Increased connectivity, online penetration, demographic change and M&A to drive further growth

Global online gaming market



Mobile share of online gaming is increasing



Key market drivers

Connectivity

- Access to gaming platforms through mobile enables gaming from anywhere, at any time
- Mobile share of total gaming still relatively low, implying substantial untapped growth opportunities
- Technological advances have enabled creation of game products with higher entertainment value and improved accessibility through better internet speed and faster technology

Online confidence

- Improved confidence in online shopping and use of services such as banking and booking
- Internet and smartphone penetration increasing or stabilising at very high levels across Europe

Demography

- For young clients, the natural choice is to use online gaming over offline alternatives

Consolidation

- Consolidation underway, with larger and cost synergy focused M&A deals in e.g. the UK and Nordics