

Q2

INTERIM REPORT

April - June 2021

SpectrumOne AB (publ) 556526-6748



SPECTRUMONE

Second quarter

- Net sales amounted to MSEK 14.1 (2.7)
- EBITDA* amounted to MSEK -1.5 (-5.9)
- EBIT amounted to MSEK -21.9 (-8.9)
- EBT amounted to MSEK -23.8 (12.2**)
- Earnings per share before dilutions amounted to -0.08 (0.13)

- SpectrumOne announces outcome of Rights Issue; 93 % subscription rate and SpectrumOne will receive proceeds amounting to approximately SEK 157 million before costs
- SpectrumOne acquires Ampilio AB to merge with SpectrumOne's subsidiaries The Trigger Company and BizWell Sweden AB
- SpectrumOne increases its holding in Eniro to 29.5%
- SpectrumOne has appointed the next Nordic sales Director
- CEO Hosni Teque-Omeirat acquires 8 million BTUs in SpectrumOne
- SpectrumOne announces the reopening of sales office in Spain for the subsidiary of Ampilio
- Cecilia Hjertzell was elected as a new member of the Board

**including share of earnings from our associated company EniroGroup AB in depreciations and amortizations*

***including profit from participation in associated companies amounting to MSEK 21.4*

About SpectrumOne AB

SpectrumOne is a leading technology company delivering an advanced Data Management, Analytics & Communications platform suite. Offered in a SaaS online service shipping with rich market data from various professional providers, SpectrumOne provides a unique solution to many leading actors across industry segments in various countries. Enabling clients with fast and easy access to data insight and visualization coupled with powerful search, segmentation, and mapping features. SpectrumOne allows data to be quickly enabled and operationalized, driving activities from customer communication to data science supporting business analysis, strategy, and growth. All of which can be enabled the same day with immediate results. SpectrumOne's headquarter is based in Stockholm, Sweden, responsible for Nordic sales and strategy, with additional sales and business development located in Norway, Finland, Belgium and Spain. SpectrumOne is listed on Nasdaq First North Growth Market in Stockholm.

www.spectrumone.com

CEO statement

MARTECH IS BOOMING – AND SPECTRUMONE IS TOO

Being able to sign and release the best quarterly report since joining SpectrumOne encourages me to continue working on and fighting for the galactic plan we once designed in a small office space in central Stockholm two years ago. We have now almost doubled our quarterly revenues, maintained terrific gross margins and increased our pipeline with the best potential clients ever. Things are turning out pretty good.

As we have identified and communicated before, our intention is to grow in the markets we are operating in but with a focused view on the largest markets in Europe. According to marketing and data report conducted by BCG during 2020 United Kingdom is Europe's leading Martech country by a long way, followed by Germany and then the Netherlands. Norway, our previous home market, on the other hand, showed the largest growth rate; an astounding 97%. We are in the right field of business.

We are aiming to take market shares by partnering and growing with the right vendors in the most developed markets. Since June this year we have offices in five European countries - Spain, Norway, Belgium, Sweden, and Finland - focusing on taking market shares on. With a dedicated data focus and a world class sales process, we know we can win relevant and growing clients. For instance, in our latest office opening in Spain where we now offer our solution for Amazon in Spanish, we have managed to acquire even American clients. Important wins confirming that we made the right decisions.

MAXIMIZE OUR OPPORTUNITIES

The current situation in the Martech industry is largely the same as it was in 2020, with Content and Experience maintaining its position on the top of the Martech Category size and growth charts.

The challenges of marketers and data analysts are mainly the following.

- How to Partner with Teams Across the Business to Enable the Championing of Digital and Data
- Leveraging Data Insights to Drive Higher Conversion and Customer Acquisition Rates Across the Customer Journey
- Powering Highly Targeted Marketing Campaigns through Innovative Analytic Tools and Big Data
- Utilizing Data to Embed Customer Centricity into Integrated Marketing Campaigns
- How Data-Fed Technologies Help Automate Repetitive Tasks and Dramatically Increase the Efficiency

Noticeably, the management of data is an area getting a lot of attention giving us as a data obsessed company an advantage to take the next step with every new client and offer our platform where data and analytics are put first.

PRISM IS KEY

Every organization today generates, encounters and attempts to utilize data to operate, make strategic decisions and thus prosper in today's data driven world. This situation is neither new nor unique to any organization and the most common challenge has been that all organizations continue to drown in even just their own data and are barely scratching the surface of the true potential.

As the workforce transforms into the new tech savvy generation the frustrations grow with a common question being asked “How all of this internal and external data is not readily available when I need it and why cannot I see it, explore it and use it to make better decisions and improve our business” Many of these organizations, for over three decades, have tried to master their data using technologies from various vendors, creating data warehouse solutions and then applying various exploration and visualization tools on top to try and literally drill down into the value.

Every organization we have encountered and worked with have a repeated common statement “We tried for years to solve our data, but the costs increased, the results were slow to materialize and in the end we didn't really get out what we wanted or hoped for”.

With the combination of our pillars within Prism our clients can maximize their outputs and address the challenges mentioned above.

- Data management
Immediate access to an analytic universe of consumer- and business universe. Schedule or flexibly load multiple data files from virtually any data source without any tech background.

- Visualize
Using data-cleansing we are turning your data into smart visualizations usable by business users. It's a fast way to get started and ready to be shared across your organization.
- Analyze
You will never start from a blank page. Every new segment starts from a template that is activity driven. It always come with good default settings and criteria sets. It's all configurable and tailored to be used for your needs.
- Segmentation
Schedule data extracts of your segments to target your audience in the preferred channel without any delay.

Prism has proven itself to be an easy to use, yet powerful platform, that is highly visual and very easy for clients to intellectually understand and see the immediate and long-term benefits. The ability for Prism to propel a client immediately into using both internal and external data sets with little effort, literally moves clients overnight into a highly valuable and key position both from an organizational and industrial perspective. The SaaS format, pricing and commitment model allows Prism to be decided and implemented rapidly with low risk to all parties. Prism is offering features only found in high end solutions, coupled with a range of unique features found only in the platform. Prism is a tool for the 21st century and fits perfectly into the market demands and needs or practically every business in the market. SpectrumOne is leading the way for how visualization looks like in the future.

FOCUS AREAS

Even though we now experience the forecasted growth in the group, the nearest future awaits us with some opportunities we need to capitalize on.

- ***Our scale of business***

Growth is crucial to the long-term survival of a business. It makes it easier to acquire assets, attract new talent and fund investments. It also drives business performance and profit. We aim to grow and scale our business in order to strengthen our position even more.

- ***Our branding***

Branding is what makes a memorable impression and enable us to grow knowledge. It is a way of distinguishing ourselves from the competitors and clarifying what it is we offer that makes us the better choice.

- ***Our price***

Our pricing is the reflection of everything we do as a business, from our product development all the way down to a link to our website, because we live in a world driven by value - nothing else defines a business and a product more! We believe our pricing should be increased by two or three times given the value we create for our clients. We need to charge what we are worth, and we believe we are on our way to do so.

By including, in our comprehensive people strategy, a well-structured recruiting and selection program, we are aiming at matching the right people to our company. Recruiting the new Nordic Sales Director, a senior business developer highly skilled within tech, information and sales, means a huge deal for us. We now have the best resources to act on leads, and to truly manifest our platform to every potential client. We have a goal to be the best Martech company

in Europe, given what we have achieved so far, I really think we are on the right track.

Merging of the different business areas will be another key for us to continue to gain from the acquisitions we have completed. Reaching economy of scale makes our profit and efficiency higher, and the synergies within sales and business development a clear advantage to others. We have created a large and unique customer base on which we can deliver a large value and hence become an even more relevant player in those relations making us highly coveted for existing and potential clients. Some of the acquired companies will need more attention and resources than expected, others are by far exceeding our expectations. I am convinced we have the right people onboard to make sure we can capitalize on every acquisition to the fullest and every shareholder proud.

As communicated earlier, we are in the processes of divesting and distributing Trafikportalen, managing our holdings in Eniro to the very best, strengthening our equity story and signing great partners.

I BELIEVE

Last quarter our chairman and I increased our holdings substantially in the company by fully participating in every share issue. I personally invested almost SEK 10 million, mostly borrowed money. This second quarter I have increased my holding by an additional SEK 12 million by acquiring another 8 million BTU's adding up to a holding of almost 5% of the company. I have now invested more than SEK 22 million in SpectrumOne. It surely strains my already stressed finances by increasing my borrowing to this level, but I am very much convinced my calculation will add up.

Ahead I foresee us continuing the growth journey we started. We have major partners to sign up

and a world-class brand with SpectrumOne to build in order make sure we stay on the right path of becoming the best Martech company in Europe. I once said, 2021 is the year of SpectrumOne. Everything indicates that this will be the case.

Looking forward to seeing you very soon.

STOCKHOLM, AUGUST 2021

HOSNI TEQUE-OMEIRAT

CEO

OPERATIONS

CUSTOMERS AND NEW BUSINESSES

In the beginning of this year SpectrumOne acquired just under 30 % of the shares in Eniro Group AB (publ) as well as 100 % of the Finnish company Oy Cemron AB and 100 % of Ampilio AB, respectively. A lot of time and resources were spent on these acquisitions, but we continued parallelly to work together with our customers and partners to expand the businesses of the SpectrumOne group.

REVENUE AND EARNINGS

The consolidated income statement for the second quarter of 2021 comprises the parent company SpectrumOne AB as well as the subsidiaries VMSPlay Sweden AB, SpectrumOne AS, BizWell Sweden AB, Qbim AB, Cloud Explorers AS, Ådata Infosystems AB, the Trigger Company AB, OY Cemron AB and Ampilio AB (for the months of May and June only).

Second quarter

Net sales for the second quarter of the year amounted to SEK 14.1 (2.7) million, an increase of SEK 11.4 million. The higher net sales are primarily caused by the acquisitions made during second half of 2020 and first half of 2021 as well as organic growth in the existing operations. The gross profit amounted to SEK 9.8 (2.4) million for the consolidated operations, with a gross margin at 70 (87) %.

Operating expenses excluding direct costs and depreciation amounted to SEK 26.9 (8.6) million. The personnel costs have increased from SEK 2.4 million to SEK 6.6 compared to Q2 2020 due to the acquisitions of new subsidiaries. Depreciation and amortizations amounts to SEK 20.4 (6.0) million including share of earnings from associated companies. This latter refers to our ownership in Eniro Group AB (publ) and amounts to SEK 11.4 million, of which SEK -13.7 million is depreciation of goodwill and SEK 2.7 million is our

share of the result for Eniro Group AB (publ) for Q2 2021.

Operating profit (EBIT) for the period amounted to SEK -21.9 (-8.9) million. The operating margin is negative. Net financial items amounted to SEK -1.9 (21.1) million, which increase is mainly related to interest expenses for the bridge loan taken for the acquisition of the shares in EniroGroup AB (publ). Profit before tax for the period amounted to SEK -23.8 (12.2) million. Earnings per share before dilution amounted to SEK -0.08 (0.13).

First half year

Net sales for the first half year amounted to SEK 21.6 (3.8) million, an increase of SEK 17.7 million. The gross profit was SEK 17.1 (6.2) million for the consolidated operations, with a gross margin at 70 % (85%). Operating expenses excluding direct costs and depreciation amounted to SEK 45.3 (12.3) million. Depreciation amounts to SEK 40.3 (6.9) million including share of earnings from associated companies. The depreciations have increased compared to last year mainly because of investment in Eniro Holding AB shares. Operating profit (EBIT) for the period amounted to SEK -44.6 (-13.7) million. Net financial items amounted to SEK -6.6 (19.6) million. Profit before tax for the period amounted to SEK -51.2 (6.0) million. Earnings per share before dilution amounted to SEK -0.18 (0.07).

CASH FLOW AND FINANCIAL POSITION

Second quarter

Cash flow from operating activities before changes in working capital amounted to SEK -3.4 (-3.2) million for the second quarter. Changes in working capital have affected cash flow by SEK -4.7 (54.5) million. Cash flow from operating activities after changes in working capital amounted to SEK -8.1 (51.3) million. Investment activities had a cash flow effect of SEK -21.8 (-82.4) million during the period. Cash flow from financing activities was SEK 4.1 (12.7).

First half year

Cash flow from operating activities before changes in working capital amounted to SEK -10.8 (-7.6) million for the first half year. Changes in working capital had a negative impact on cash flow of SEK -14.0 (34.2) million. Cash flow from operating activities after changes in working capital amounted to SEK -24.9 (26.5) million. Investment activities affected cash flow negative during the period with SEK -91.7 (-88.2) million mainly due to our acquisitions of Eniro Holding AB shares. Financing activities amounted to SEK 61.5 (67.1).

EQUITY AND SHARE

The number of registered shares at the end of the quarter amounted to 328,673,001. The company's equity ratio amounts to 80.7 (22.0) %. The Group's equity increased by SEK 109.7 million during the second quarter. The quota value for the SpectrumOne AB:s shares is SEK 0.1 per share.

Investments

No material investments in tangible assets was made in the first quarter.

Personnel

The number of employees at the end of the quarter amounted to 46 (19) persons, of which 2 persons receive compensation through invoicing from their own companies.

Parent company

The operations of the parent company include group management, finance and IR / PR. The parent company's turnover for the second quarter, which in its entirety is intra-group, amounted to SEK 0.3 (0.3) million. Profit before tax for the period amounted to SEK - 3.4 (-4.4) million.

Transactions with related parties

Fredric Forsman, chairman of the board, has during the quarter invoiced the Company for legal services amounting to SEK 360,000. In addition, Anders Hugosson has invoiced the Company for consulting services amounting to SEK 90,000 during the second quarter.

RISKS

Regarding risks, please refer to the Annual Report 2020.

ACCOUNTING POLICIES

From fiscal year 2014, the annual and consolidated financial statements are established by applying the Swedish Annual Accounts Act and BFNAR 2012:1 (K3).

AUDIT

This report has not been reviewed by an auditor.

ANNUAL REPORT

SpectrumOne AB's annual report has been available on the website - www.spectrumone.com, from March 10, 2021.

UPCOMING REPORTS AND EVENTS

Interim Report Q3 2021, October 29, 2021

Stockholm, August 2021

Fredric Forsman, chairman of the board
Hosni Teque-Omeirat, member and CEO
Cecilia Hjertzell, member
Anders Hugosson, member

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INCOME STATEMENT - GROUP

SEK, thousands	Q2 21	Q2 20	YTD 21	YTD 20
Net revenue	14 071	2 714	21 580	3 837
Work performed for its own use and capitalised	-	2 925	2 006	2 925
Other income	4	2	74	2
Total revenue	14 075	5 640	23 660	6 764
Cost of services	-4 296	-354	-6 564	-587
Other external costs	-4 713	-5 879	-9 833	-8 953
Personnel costs	-6 560	-2 372	-11 492	-3 358
Depreciation and amortization	-9 003	-5 953	-16 333	-6 913
Share of earnings from associated companies	-11 360	-	-24 020	-606
<i>Total operating expenses</i>	<i>-35 931</i>	<i>-14 558</i>	<i>-68 241</i>	<i>-20 417</i>
Operating profit	-21 856	-8 918	-44 581	-13 653
Interest income and similar items	-478	103	735	254
Interest expenses and similar items	-1 423	-375	-7 354	-1 997
Profit from participation in associated companies	-	21 368	-	21 368
<i>Net financial</i>	<i>-1 900</i>	<i>21 096</i>	<i>-6 619</i>	<i>19 626</i>
Earnings before tax	-23 757	12 178	-51 200	5 973
Change deferred taxes	825	550	1 597	550
Tax on profit	-	-	-	-
Earnings	-22 932	12 728	-49 603	6 522
Earnings attributable to parent company	-22 932	12 728	-49 603	6 522
Earnings attributable to minority interest	-	-	-	-
Earnings	-22 932	12 728	-49 603	6 522
Number of shares before dilution	271 088 000	181 044 955	227 763 071	181 044 955
Number of shares after dilution	328 673 001	262 866 673	328 673 001	262 866 673
Number of shares on average before dilution	271 088 000	97 144 032	271 088 000	97 144 032
Earnings per share, before dilution	-0,08	0,13	-0,18	0,07
Number of shares on average after dilution	328 673 001	134 240 304	328 673 001	134 240 304
Earnings per share, after dilution	-0,07	0,09	-0,15	0,05

BALANCE SHEET – GROUP

SEK, thousands	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
ASSETS			
Subscribed but unpaid share capital	12 896	-	-
Fixed assets			
Intangible assets			
Goodwill	56 752	46 124	50 469
Intangible assets	61 236	72 484	64 985
Capital expenditure for research and development	20 887	23 590	22 668
Total intangible assets	138 875	142 198	138 122
Tangible assets			
Equipment, tools and installations	425	65	124
Total tangible assets	425	65	124
Financial assets			
Shares in associated companies	158 265	-	-
Other financial assets	484	39	60
Total financial assets	158 749	39	60
Total fixed assets	298 050	142 302	138 306
Current assets			
Receivables			
Account receivables	6 414	2 875	4 999
Other receivables	875	6 210	2 365
Tax claims	1 395		153
Prepayments and accrued income	2 339	2 380	9 494
Total receivables	11 022	11 465	17 011
Cash and bank balance	5 118	5 579	60 154
Total current assets	16 140	17 044	77 165
TOTAL ASSETS	327 086	159 346	215 471

BALANCE SHEET - GROUP

SEK, thousands	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Equity			
Share capital	32 867	18 104	22 776
Not registered share capital	27 396	-	741
Other capital contribution	342 564	124 782	179 468
Other equity	-138 728	-108 179	-86 663
Total equity	264 099	34 707	116 322
Provisions			
Deferred taxes	14 468	15 989	14 990
Total provisions	14 468	15 989	14 990
Liabilities			
Long-term liabilities			
Convertible loans	0	10 000	0
Other long-term liabilities	332	157	47
Total long-term liabilities	332	10 157	47
Short-term liabilities			
Bank overdraft			
Account payables	4 818	3 024	12 048
Tax liabilities	326		548
Convertible loans	9 783	17 780	9 509
Other current liabilities	28 309	72 559	47 667
Accrued expenses & deferred income	4 949	5 132	14 340
Total short-term liabilities	48 185	98 495	84 112
Total liabilities	48 518	108 652	84 159
TOTAL EQUITY AND LIABILITIES	327 086	159 346	215 471

SHAREHOLDER'S EQUITY – GROUP

Group		Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total	Total shareholder capital
Opening balance 2021	Apr 1,	27 108	-	244 180	-6 839	-112 182	152 267	152 267
New issue		5 759	-	103 431	-	-	109 190	109 190
Costs new issue		-	-	-5 047	-	-	-5 047	-5 047
Convertible bonds, equity part		-	-	-	-	-	-	-
Not registered capital		-	27 396	-	-	-	27 396	27 396
Sale of subsidiary		-	-	-	-	-	-	-
Earnings in sold daughters		-	-	-	-	-	-	-
Translation difference		-	-	-	6 839	-3 614	3 225	3 225
Earnings		-	-	-	-	-22 932	-22 932	-22 932
Equity reduction		-	-	-	-	-	-	-
Closing balance 2021	Jun 30,	32 867	27 396	342 564	-	-138 727	264 100	264 100

Group		Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total	Total shareholder capital
Opening balance 2020	Apr 1,	17 745	5 400	119 741	3 694	-120 470	26 110	26 110
New issue		360	-5 400	5 040			-	-
Costs new issue							-	-
Convertible bonds, equity part							-	-
Not registered capital							-	-
Sale of subsidiary							-	-
Earnings in sold daughters						-4 132	-4 132	-4 132
Translation difference						12 729	12 729	12 729
Earnings							-	-
Equity reduction							-	-
Closing balance	Jun 30, 2020	18 105	-	124 781	3 694	-111 873	34 707	34 707

CASH FLOW STATEMENT – GROUP

SEK, thousands	Q2 21	Q2 20	YTD 21	YTD 20
Cash flow from operating activities before working capital changes	-3 394	-3 236	-10 847	-7 627
Changes in working capital	-4 714	54 511	-14 039	34 167
Cash flow from operating activities after working capital changes	-8 108	51 275	-24 886	26 540
Cash flow from investing activities	-21 790	-82 473	-91 671	-88 238
Cash flow from financing activities	4 100	12 744	61 520	67 144
Cash flow for the period	-25 797	-18 454	-55 036	5 446
Cash and cash equivalents at beginning	30 915	24 034	60 154	134
Cash and cash equivalents at end	5 118	5 580	5 118	5 580

INCOME STATEMENT – PARENT COMPANY

SEK, thousands	Q2 21	Q2 20	YTD 21	YTD 20
Net revenue	265	300	431	400
Work performed for its own use and capitalised	-	-	-	-
Other income	-	-	40	-
Total revenue	265	300	471	400
Cost of services	-	-	-	-
Other external costs	-1 203	-3 534	-3 031	-6 078
Personnel costs	-1 073	-895	-1 962	-1 529
Other expenses	-	-	-	-
Loss on sale of subsidiaries	-	-	-	-
Depreciation and amortization	-	-	-	-
<i>Total operating expenses</i>	<i>-2 276</i>	<i>-4 429</i>	<i>-4 993</i>	<i>-7 607</i>
Operating profit	-2 011	-4 129	-4 521	-7 207
Share of earnings from associated companies	-	-	-	-
Interest income and similar items	-	88	1	239
Interest expenses and similar items	-1 415	-339	-7 325	-1 948
Unrealized loss	-	-	-	-
<i>Net financial</i>	<i>-1 415</i>	<i>-251</i>	<i>-7 324</i>	<i>-1 709</i>
Earnings before tax	-3 426	-4 380	-11 846	-8 916
Group contribution	-	-	-	-
Tax on profit	-	-	-	-
Earnings	-3 426	-4 380	-11 846	-8 916

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
ASSETS			
Subscribed but unpaid share capital	12 896		
Fixed assets			
Financial assets			
Shares in subsidiaries	142 125	107 850	121 125
Shares in associated companies	187 435	-	
Total financial assets	329 560	107 850	121 125
Total fixed assets	329 560	107 850	121 125
Current assets			
Receivables			
Account receivables	0	375	125
Receivables from group companies	28 319	13 766	17 291
Other receivables	296	5 541	2 280
Prepayments and accrued income	165	1 904	8 693
Total receivables	28 780	21 586	28 389
Cash and bank balance	1 021	2 212	55 670
Total current assets	29 801	23 798	84 059
TOTAL ASSETS	372 257	131 648	205 184

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
EQUITY and LIABILITIES			
<i>Equity</i>			
Restricted equity			
Share capital	32 867	18 105	22 776
Total restricted equity	32 867	18 105	22 776
Unrestricted equity			
Not registered share capital	27 396	-	741
Share premium reserve	411 761	130 390	228 270
Accumulated loss	-134 931	-107 022	-96 728
Earnings	-11 847	-8 916	-23 894
Total unrestricted equity	292 379	14 452	108 389
Total equity	325 246	32 557	131 165
<i>Liabilities</i>			
Long-term liabilities			
Convertible loans	-	10 000	-
Total long-term liabilities	0	10 000	0
Short-term liabilities			
Account payables	1 592	1 556	8 371
Tax liabilities	57	-	54
Current liabilities to group companies	11 638	-	5 575
Convertible loans	9 783	17 780	9 509
Other current liabilities	22 145	68 100	42 183
Accrued expenses and deferred income	1 796	1 655	8 327
Total short-term liabilities	47 011	89 091	74 019
Total liabilities	47 011	99 091	74 019
TOTAL EQUITY AND LIABILITIES	372 257	131 648	205 184