

RAKETECH

Year end Report

2020

YEAR END REPORT 2020

FOURTH QUARTER 2020

- Revenues totalled EUR 8.5 million (EUR 5.8 million) representing an increase of 44.7%
- Organic growth amounted to 15.0% (-29.5%)
- NDCs (New Depositing Customers) amounted to 46,389 (28,002), representing an increase of 65.7%
- EBITDA amounted to EUR 3.6 million (EUR 1.6 million, adjusted EUR 2.0 million), corresponding to a margin of 43.1% (26.8%, adjusted 33.6%)
- Operating profit amounted to EUR 2.3 million (EUR -0.1 million, adjusted EUR 0.3 million), corresponding to a margin of 26.7% (-2.3%, adjusted 4.5%)
- Profit for the period amounted to EUR 2.1 million (EUR -0.3 million, adjusted EUR 0.1 million)
- Earnings per share amounted to EUR 0.05 (EUR -0.01)

FULL-YEAR 2020

- Revenues totalled EUR 29.4 million (EUR 23.9 million) representing an increase of 23.0%
- Organic growth amounted to 0.7% (-11.8%)
- NDCs (New Depositing Customers) amounted to 177,572 (108,365), representing an increase of 63.9%
- EBITDA amounted to EUR 12.0 million (EUR 10.6 million, adjusted EUR 11.0 million), corresponding to a margin of 40.9% (44.3%, adjusted 46.0%)
- Operating profit amounted to EUR 6.6 million (EUR 6.1 million, adjusted EUR 6.5 million), corresponding to a margin of 22.5% (25.4%, adjusted 27.1%)
- Profit for the period amounted to EUR 5.6 million (EUR 7.2 million, adjusted for non-operating income of EUR 2.3 million and exceptional costs, profit for the period was EUR 5.3 million)
- Earnings per share amounted to EUR 0.15 (EUR 0.19)

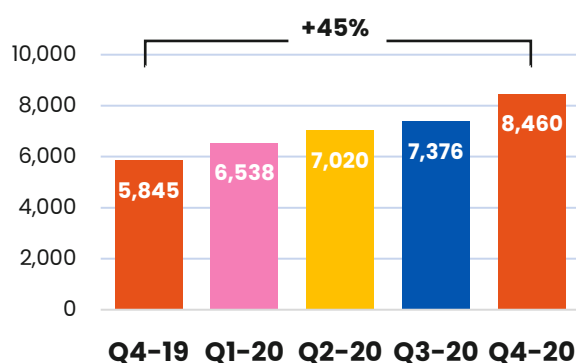
EVENTS DURING FOURTH QUARTER 2020

- On November 6, 2020 Raketech acquired the US based organic affiliation marketing assets americangambler.com. The agreed purchase price for American Gambler amounts to EUR 5 million and was settled using Raketech's cash and proceeds from the divestment of the consumer finance assets.
- On November 6, 2020 Raketech announced that the company has divested its consumer finance assets to ROI Media UK, an unrelated third party, for a total consideration of EUR 4.2 million. with an upfront payment of EUR 3.4 million and a deferred consideration of EUR 0.8 million paid in three instalments over the upcoming 18 months.

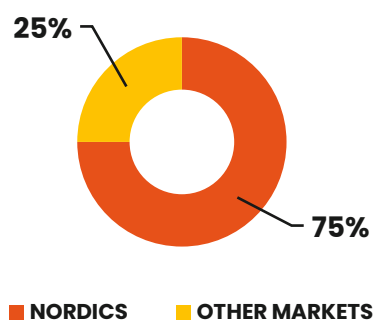
SUBSEQUENT EVENTS AFTER THE END OF THE YEAR

- Revenues of EUR 2.7 million in January 2021

REVENUES, EUR thousands



GEOGRAPHICAL SPLIT, Q4 2020



Consolidated Key Data and Ratios

Some financial measures presented in this report, including key data and ratios are not defined by International Financial Reporting Standards (IFRS). These measures will not necessarily be comparable to similarly titled measures in the reports of other companies. Further definitions can be found on page 20 of this report. These non-IFRS measures may provide valuable additional information to investors and management although they should not be considered as substitutes for financial reporting measures prepared in accordance with IFRS.

EUR thousands	Oct-Dec 2020	Oct-Dec 2019	Change	Jan-Dec 2020	Jan-Dec 2019	Change
Financial Data						
Revenue (IFRS)	8,460	5,845	44.7%	29,394	23,906	23.0%
<i>Organic growth</i>	15.0%	(29.5%)	44.5	0.7%	(11.8%)	12.5
<i>Revenue share</i>	40.9%	49.2%	(8.3)	43.8%	44.2%	(0.4)
<i>Upfront payment</i>	42.0%	32.8%	9.2	40.5%	39.1%	1.4
<i>Flat fee</i>	17.1%	18.0%	(0.9)	15.7%	16.7%	(1.0)
<i>Casino of total revenue</i>	85.4%	66.3%	19.1	85.1%	68.4%	16.7
<i>Sport of total revenue</i>	12.4%	27.8%	(15.4)	11.5%	27.0%	(15.5)
<i>Other of total revenue</i>	2.2%	5.9%	(3.7)	3.4%	4.6%	(1.2)
<i>Revenue from the Nordics</i>	74.6%	90.3%	(15.7)	80.4%	93.1%	(12.7)
<i>Revenue from other markets</i>	25.4%	9.7%	15.7	19.6%	6.9%	12.7
EBITDA	3,645	1,565	132.9%	12,031	10,595	13.6%
EBITDA margin	43.1%	26.8%	16.3	40.9%	44.3%	(3.4)
Adjusted EBITDA¹	3,645	1,964	85.6%	12,031	10,994	9.4%
Adjusted EBITDA margin	43.1%	33.6%	9.5	40.9%	46.0%	(5.1)
Operating profit	2,262	(134)	1788.1%	6,624	6,082	8.9%
Operating margin	26.7%	(2.3%)	29.0	22.5%	25.4%	(2.9)
Adjusted Operating profit¹	2,262	265	753.6%	6,624	6,482	2.2%
Adjusted Operating margin	26.7%	4.5%	22.2	22.5%	27.1%	(4.6)
Other Performance Measures						
New depositing customers (NDC)	46,389	28,002	65.7%	177,572	108,365	63.9%
Full time employees	78	79	(1.3%)	78	79	(1.3%)
Net interest-bearing debt	(3,034)	(836)	263.0%	(3,034)	(836)	263.0%
Net debt-to-adjusted EBITDA LTM	(0.25)	(0.08)	231.7%	(0.25)	(0.08)	231.7%
Earnings per share before dilution (EUR) (IFRS)	0.06	(0.01)	700.0%	0.15	0.19	(21.1%)
Earnings per share after dilution (EUR) (IFRS)	0.05	(0.01)	600.0%	0.15	0.19	(21.1%)
Weighted average number of shares, before dilution	37,413,633	37,413,633	0.0%	37,413,633	37,661,392	(0.7%)
Weighted average number of shares, after dilution	38,753,939	38,239,029	1.3%	38,567,489	38,272,023	0.8%

¹ Adjustments relate to exceptional costs of EUR 0.4 million in Q4 2019.

CEO Comment

The foundation laid out during 2019 proved to serve Raketech well during 2020. Not only did we manage to deliver four stable quarters in terms of revenue and margin, but we also added a series of commercial initiatives, strategic markets and rolled out new technical platforms. All in line with our strategy and previously communicated operational goals. It is satisfying to conclude that our efforts within automation, standardization and data analysis already have had such a positive impact on the gap between revenue and costs, as we grow. This despite extraordinary volatile times during the year as well as increased efforts within development and expansion.

I am furthermore pleased to see that the acquisitions we made during 2020 are delivering over expectations in terms of growth and that the anticipated industrial benefits such as knowledge transfer, best practice, overhead costs reduction, central controlling, resource pools, platforms, BI systems and more, so far are being realized to a large degree.

2020 finished strong for Raketech. Revenues amounted to EUR 8.5m representing a growth of 44.7% year on year, and up 15% from previous quarter. Organic growth was 15%, primarily driven by strong development outside of the Nordics with Japan leading the way. EBITDA amounted to EUR 3.6 million compared to EUR 1.6 million in the previous year corresponding to an EBITDA margin of 43.1%.

On an overall level we delivered yet another operationally strong quarter. NDCs, New Depositing Customers, amounted to more than 46.000, representing growth of 65.7%. This was driven by a combination of strong development within our Network sales (Lead Republik) and traditional casino affiliation on our core markets. The strong increase with regards to NDCs and organic growth are however to some extent enforced by the fact that the comparative period of last year was unusually weak.

As mentioned before, but worth highlighting once again, we divested our Finance vertical to ensure laser sharp focus on core business during the quarter. Our investments into development and geographical expansion continued to be on an accelerated level and we launched a series of paid initiatives in the US showing promising results, in parallel with continuous efforts with the launch of TV-sportsguide.com on the same market. We are still in early stages and revenues are not yet substantial from these initiatives, but we are progressing according to plan. In addition, we also acquired

AmericanGambler in the US to propel our growth on the US market even further. And on that note, we are now certified to operate in 10 states with the latest being Michigan and Virginia where we successfully rolled out early this year.

In general, our casino related assets experienced strong development, specifically during the first part of the quarter, complemented by sports related assets catching up and reaching levels of pre-Covid with regards to visitors and traffic. Due to the market uncertainty, we however still experience slight hesitance from operators to invest into long term brand building exposure and event advertisement, which normally makes up a large portion of the revenue originating from this segment. Therefore, despite strong underlying performance and traffic growth we are not yet back on pre-Covid levels within sports, with regards to revenues.

In December the most dominant search engine, Google, made one of its recurring core updates. On an overall level the effect on Raketech was, as from previous updates, neutral to positive on most assets. However worth pointing out this time is that one of our major Swedish casino assets, Casinofeber, was affected negatively which led to a slightly dampened end of December compared to the strong start. We have since then executed a series of mitigating and stabilizing actions, but the intake of new customers from Casinofeber is still on levels lower than before the update.

Long term we do not anticipate material effects on our overall business as we continue to experience positive development on other assets on other markets. We do however expect the geographical footprint to be improved slightly with revenues from outside the Nordics making up a larger portion of total than previously.

And with regards to this it is worth mentioning that we reached 25% of our revenues from outside the Nordics which is in line with the previously communicated strategy.

OUTLOOK

Despite the fact that Q1 from a seasonality perspective, usually is a slower quarter than Q4 in terms of online gambling activity, traffic to our assets has continued to be high and January revenues amounted to EUR 2.7 million. Sports have in particular continued strong into January with the US market as a significant contributor. Furthermore, our efforts in Japan are continuing to show good results and revenues from this region is growing faster than other regions.

All in all, we can look back at a year in Raketech's history where we despite Covid-19 successfully executed several operational initiatives of strategic importance. Confident by the strong Q4 results and our general achievements during 2020, we will continue our relentless efforts to widen our geographical footprint, our product offering and our asset portfolio. Raketech's sound financial situation furthermore allows us to

complement our organic growth strategy with continuous and potentially accelerated efforts within the area of M&A during 2021.

I look forward to continuing working with our competent and energetic team to further strengthen Raketech's position as the preferred iGaming performance marketing partner.

Oskar Mühlbach
CEO

Financial Performance during the Fourth Quarter of 2020

REVENUES

Revenues totalled EUR 8.5 million (EUR 5.8 million) representing an increase of 45% driven by the newly acquired Lead Republik and organic growth of 15% (-29.5%).

EXPENSES

Direct expenses increased to EUR 2.5 million (EUR 1.5 million) driven by paid media through our new product offering following the acquisition of Lead Republik as well as through the expansion and recent acquisition targeting the US.

Employee benefit expenses amounted to EUR 1.2 million (EUR 1.5 million, adjusted for exceptional costs of EUR 0.4 million). The decrease relates to costs of one-off characteristics that impacted the quarter in the comparative period. Full-time employees totalled 78 (79) at the end of the period.

Other expenses amounted to EUR 1.1 million (EUR 0.6 million), an increase driven primarily by a higher cost base due to the inclusion of Lead Republik as well as through investments in product development.

Loss allowance net of bad debts written-off amounted to EUR 0.0 million (EUR 0.3 million).

Depreciation and amortisation amounted to EUR 1.4 million (EUR 1.4 million, adjusted for the impairment of goodwill of EUR 0.3 million), in line with the equivalent period in 2019.

PROFITABILITY

Reported EBITDA increased to EUR 3.6 million (EUR 2.0 million, adjusted for exceptional costs of EUR 0.4 million)

with higher revenues through the addition of new product categories, growth of the existing portfolio and geographical expansion.

The EBITDA margin amounted to 43.1% (33.6%, adjusted for exceptional costs of EUR 0.4 million), driven by an increase in revenues.

The profit for the period amounted to EUR 2.1 million (EUR 0.1 million, adjusted for exceptional costs of EUR 0.4 million), positively affected by the profit earned of EUR 0.4 million from the sale of the consumer finance asset.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities increased to EUR 3.0 million (EUR 1.8 million), driven by higher profitability.

Cash flow from investing activities amounted to EUR -3.3 million (EUR -1.1 million) as a result of the settlement of earn-outs during the quarter, the acquisition of AmericanGambler offset by the sale of the consumer finance assets.

Cash flow from financing activities amounted to EUR -0.1 million (EUR -0.1 million), in line with the comparative period.

Cash and cash equivalents at the end of the quarter amounted to EUR 5.0 million (EUR 4.2 million).

THE PARENT COMPANY

Raketech Group Holding PLC is the parent company. Total operating costs amounted to EUR 0.1 million (EUR 0.5 million). Loss for the period was EUR 0.3 million (EUR 0.5 million).

Financial Performance during the Full Year of 2020

REVENUES

Revenues totalled EUR 29.4 million (EUR 23.9 million) in the full year of 2020, an increase of 23.0% compared to the equivalent period in 2019.

EXPENSES

Direct expenses increased to EUR 7.9 million (EUR 4.6 million) due to increased efforts within paid media, primarily through Lead Republik and our white label casino, Rapidi.

Employee benefit expenses amounted to EUR 5.3 million (EUR 4.8 million, adjusted for exceptional costs of EUR 0.4 million). The increase is driven by onboarding of senior management and other qualified employees. Full-time employees totalled 78 (79) at the end of the period.

Other expenses amounted to EUR 3.9 million (EUR 2.6 million), driven primarily by a higher cost base due to the inclusion of the recent acquisition of Lead Republik and the full year effect of Casumba. Additionally, there is a slight increase in costs related to product development.

Loss allowance net of bad debts written-off amounted to EUR 0.2 million (EUR 0.9 million).

Depreciation and amortisation amounted to EUR 5.4 million (EUR 4.5 million). The increased amortisation was primarily attributable to the acquisition of Casumba Media Ltd, Lead Republik and the upward adjustments to amounts committed on acquisition relating to CasinoFeber.

PROFITABILITY

Reported EBITDA amounted to EUR 12.0 million (EUR 11 million, adjusted for exceptional costs), corresponding to an EBITDA margin of 40.9% (46.0%, adjusted for exceptional costs). The decrease in EBITDA margin is driven by higher costs through investments in product development, the addition of new product categories and geographical expansion.

The profit for the period amounted to EUR 5.6 million (EUR 5.3 million, adjusted for non-operating income of EUR 2.3 million and exceptional costs of EUR 0.4 million), in line with the comparative period.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 12.4 million (EUR 11.5 million), an increase as a result of higher profitability.

Cash flow from investing activities amounted to EUR -9.8 million (EUR -8.7 million), a slight decrease from the comparative period. This relates primarily to earnout payments, the acquisition of Lead Republik, American Gambler and the sale of the consumer finance assets.

Cash flow from financing activities amounted to EUR -1.8 million (EUR -6.0 million). The improved cash flow relates to a repayment of borrowings in the comparative period.

Cash and cash equivalents at the end of the quarter amounted to EUR 5.0 million (EUR 4.2 million).

THE PARENT COMPANY

Raketech Group Holding PLC is the parent company. Total operating costs amounted to EUR 0.6 million (EUR 0.9 million). Loss for the period was EUR 0.9 million (EUR 1.1 million).

Other

RAKETECH IN BRIEF

Raketech is a performance marketing company that primarily operates within the iGaming and sports betting industry. Raketech’s role is to link iGaming operators with iGaming players by providing fact-based and relevant content that supports players to make correct and informed decisions. We started in 2010 as an online poker affiliate that focused on lead generation for the Scandinavian market. Today, we have evolved into a digital marketing specialist that delivers high-quality media products that serve our users globally. Our talented team operates products across multiple regions in the online casino, sports betting, TV sports and cryptocurrency industries.

STOCK MARKET

Raketech Group Holding PLC is listed on Nasdaq First North Premier Growth Market with the ticker RAKE. Raketech’s shares commenced trading on 29 June 2018 and the outstanding number of shares is 37,413,633. The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

SIGNIFICANT RISKS AND UNCERTAINTIES

The remote gaming industry, where the Group has its main customers, continues to undergo regulation and is therefore subject to political and regulatory risk. The Group operates in the emerging online gaming industry. Although Raketech is a performance marketing company and not an iGaming operator, the legislation concerning online gambling could directly or indirectly affect Raketech’s operations. Changes to existing regulations in various jurisdictions might impact the ability for the remote gaming operators to operate and accordingly, revenue streams from these customers may be adversely impacted. The Group may also be exposed to measures brought against customers by public authorities or others, which could be extended to any third-party having abetted the business of such remote gaming operators.

The Group monitors regulatory changes within the European market, and also changes in the North American, South American and the Asian markets. The

Group’s strategy to also operate in grey markets might increase exposure to regulatory risks. If any new regulatory regimes come into force, the Group will conform with such requirements by applying for the necessary licenses in the respective jurisdiction. As the Group continues to embark on its growth strategy with the ambition to enhance the global footprint in both regulated and grey markets, the exposure to different regulatory frameworks continues to increase.

In addition to the above, the Board of Directors also consider the following risks to be relevant to the Group:

- Credit risk being the risk that customers do not pay for the services rendered.
- Market risk being the risk arising from an adverse movement in foreign exchange rates and interest rates.
- Operational risk which can arise in the SEO environment if search engines such as Google change their structure.
- Risk related to the reliance on third-party information, due to limited visibility of the traffic sent to Raketech’s customers.

The covid-19 outbreak continues to affect many countries around the world. With this comes continued uncertainty and the effects of these developments on Raketech’s financial performance is unclear. Up to date the effects for the Group have been limited to a reduction in income from cancelled sports events but the uncertainties could have an impact through further loss allowances or asset impairment. Full details on Raketech related risks are published in the Annual Report.

SUPPLEMENTAL INFORMATION

This report has not been subject to an audit or review by the Group’s auditors.

Erik Penser Bank acts as the Group’s certified advisor.

Upcoming Dates

14 APRIL ANNUAL REPORT 2020
12 MAY INTERIM REPORT JAN-MAR 2021

The interim reports are drawn up in line with Nasdaq’s guidance for interim management statements which the Group is obliged to make public according to the EU Market Abuse Regulation

Condensed Consolidated Statement of Comprehensive Income

EUR thousands	Notes	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Total Revenue	3	8,460	5,845	29,394	23,906
Direct costs relating to fixed fees and commission revenue		(2,528)	(1,506)	(7,923)	(4,582)
Employee benefit expense		(1,202)	(1,869)	(5,334)	(5,201)
Depreciation, amortisation and impairment		(1,383)	(1,699)	(5,407)	(4,512)
Loss allowance on trade receivables		261	(250)	389	(678)
Bad debts written-off		(272)	(10)	(604)	(212)
Other operating expenses		(1,074)	(645)	(3,891)	(2,639)
Total operating expenses		(6,198)	(5,979)	(22,770)	(17,824)
Operating profit/(loss)		2,262	(134)	6,624	6,082
Other non-operating income	5,9	360	-	360	2,282
Finance costs		(316)	(226)	(930)	(958)
Profit/(loss) before tax		2,306	(360)	6,054	7,406
Tax expense		(232)	18	(459)	(256)
Profit/(loss) for the period/year - Total comprehensive income/(expense)		2,074	(342)	5,595	7,150
Total comprehensive income/(expense) attributable to:					
Equity holders of the Parent Company		2,079	(329)	5,617	7,237
Non-controlling interest		(5)	(13)	(22)	(87)
Earnings per share attributable to the equity holders of the Parent during the period/year (expressed in Euro per share)					
Earnings per share before dilution		0.06	(0.01)	0.15	0.19
Earnings per share after dilution		0.05	(0.01)	0.15	0.19

Condensed Consolidated Statement of Financial Position

EUR thousands	Notes	31 Dec 2020	31 Dec 2019
Assets			
Non-current Assets			
Goodwill	4,5	286	-
Intangible assets	4,5	80,868	73,407
Right of use assets		-	318
Property, plant and equipment		28	134
Other receivables		260	-
Total non-current assets		81,442	73,859
Current assets			
Trade and other receivables		4,916	4,150
Cash and cash equivalents		4,966	4,191
Total current assets		9,882	8,341
TOTAL ASSETS		91,324	82,200
Equity & Liabilities			
Equity			
Share capital	8	75	76
Share premium		39,387	39,387
Other reserves	8	599	428
Retained earnings		30,765	25,115
Equity attributable to owners of the Company		70,826	65,006
Non-controlling Interests		1	55
TOTAL EQUITY		70,827	65,061
Liabilities			
Non-current liabilities			
Borrowings	6	-	3,354
Deferred tax liability		1,552	1,095
Lease liabilities		-	152
Amounts committed on acquisition	7	8,679	5,447
Total non-current liabilities		10,231	10,048
Current liabilities			
Borrowings	6	1,931	-
Amounts committed on acquisition	7	5,913	5,235
Lease liabilities		-	167
Trade and other payables		2,422	1,673
Current tax liabilities		-	16
Total current liabilities		10,266	7,091
TOTAL LIABILITIES		20,497	17,139
TOTAL EQUITY AND LIABILITIES		91,324	82,200

The notes on pages 12 to 16 are an integral part of these condensed consolidated financial statements.

The condensed consolidated financial statements on pages 8 to 16 were approved for publication by the Board of Directors on 17 February 2021 and were signed on the Board of Directors' behalf by:

Erik Skarp, Board member

Johan Svensson, Board member

Condensed Consolidated Statement of Changes in Equity

EUR thousands	Note	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity attributable to Owners of the Company	NCI	Total Equity
Balance at 1 January 2020		76	39,387	428	25,115	65,006	55	65,061
Comprehensive income								
Profit for the period		-	-	-	5,617	5,617	(22)	5,595
Transactions with owners								
Equity-settled share-based payments		-	-	180	-	180	-	180
Cancellation of treasury shares		(1)	-	1	-	-	-	-
Acquisition of NCI		-	-	(10)	55	45	(54)	(9)
Other transactions with NCI		-	-	-	(22)	(22)	22	-
Total transactions with owners		(1)	-	171	33	203	(32)	171
Balance at 31 December 2020		75	39,387	599	30,765	70,826	1	70,827
Balance at 1 January 2019		76	39,387	1,254	17,948	58,665	67	58,732
Comprehensive income								
Profit for the year		-	-	-	7,237	7,237	(87)	7,150
Transactions with owners								
Equity-settled share-based payments		-	-	189	-	189	-	189
Acquisition of treasury shares	8	-	-	(830)	-	(830)	-	(830)
Acquisition of NCI		-	-	(185)	-	(185)	5	(180)
Other transactions with NCI		-	-	-	(70)	(70)	70	-
Total transactions with owners		-	-	(826)	(70)	(896)	75	(821)
Balance at 31 December 2019		76	39,387	428	25,115	65,006	55	65,061

The notes on pages 12 to 16 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

EUR thousands	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flows from operating activities					
Profit/(loss) before tax		2,306	(360)	6,054	7,406
adjustments for:					
Depreciation, amortisation and impairment		1,383	1,699	5,407	4,512
Loss allowance		(261)	250	(389)	678
Bad debts written-off		272	10	604	212
Net finance cost		316	226	930	958
Equity-settled share-based payment transactions		67	69	180	189
Waiver of related party liability	9	-	-	-	(2,282)
Profit/loss on disposal of intangible assets		(347)	-	(348)	3
		3,736	1,894	12,438	11,676
Net income taxes paid		(261)	-	(313)	-
Changes in:					
Trade and other receivables		(617)	(351)	(460)	(573)
Trade and other payables		167	299	750	359
Net cash generated from operating activities		3,025	1,842	12,415	11,462
Cash flows from investing activities					
Acquisition of property, plant and equipment		(4)	(3)	(23)	(28)
Acquisition of intangible assets		(6,732)	(1,124)	(13,199)	(8,691)
Proceeds from sale of property, plant and equipment		(1)	-	1	3
Proceeds from sale of intangible assets		3,414	-	3,414	-
Net cash used in investing activities		(3,323)	(1,127)	(9,807)	(8,716)
Cash flows from financing activities					
Repayments of borrowings		-	-	(1,500)	(7,880)
Proceeds from drawdowns on borrowings		-	-	-	3,299
Acquisition of treasury shares		-	-	-	(830)
Transactions with NCI		-	-	(10)	(180)
Lease payments		15	(40)	(121)	(172)
Interest paid		(94)	(69)	(202)	(318)
Net cash used in financing activities		(79)	(109)	(1,833)	(6,081)
Net movements in cash and cash equivalents		(377)	606	775	(3,335)
Cash and cash equivalents at the beginning of the period/year		5,343	3,585	4,191	7,526
Cash and cash equivalents at the end of the period/year		4,966	4,191	4,966	4,191

The notes on pages 12 to 16 are an integral part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

1 REPORTING ENTITY

Raketech Group Holding PLC is a public limited company incorporated in Malta, having company registration number C77421. The consolidated financial statements include the financial statements of Raketech Group Holding PLC and its subsidiaries, (together, the "Group").

Raketech Group Holding Limited was incorporated on 29 September 2016 under the terms of the Maltese Companies Act (Cap. 386). Subsequently, on 13 February 2018, the company changed its legal status from a private limited company to a public limited company, and as a result, changed its name to Raketech Group Holding PLC.

2 ACCOUNTING POLICIES

Raketech prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. These condensed financial statements are prepared in accordance with IAS 34, Financial Reporting, and under the historical expense convention, as modified by the fair valuation of financial liabilities measured at fair value through profit and loss. The principal accounting policies applied in the preparation of the Group's condensed consolidated financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2019 (with the exception of 2.3 below) which is publicly available. The Parent Company applies the same accounting principles as the Group.

Other than the earnings per share before and after dilution which are expressed in Euro (EUR), all other amounts are expressed in thousand Euro (EUR) or as otherwise indicated. Amounts or figures in parenthesis indicate comparative figures for the corresponding period last year. The 2019 annual report is available on Raketech's website.

2.1 New and amended standards adopted by the Group and changes in IFRS not yet applied

The following new and amended standards issued by IASB were implemented by Raketech on 1 January 2020 but have not had any significant impact on Raketech's financial statements:

- Amendments to IFRS 3: Definition of business
- Amendments to IAS 1 and IAS 8: Definitions of material

Other amendments to IFRS are not assessed to have any significant impact on Raketech's financial statements.

2.2 Critical accounting estimates – impairment assessment

IFRS requires management to undertake an annual test for impairment of intangible assets with an indefinite useful life. Impairment testing is an area involving management judgement. It requires assessments as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain estimates are required to be made in respect of highly uncertain matters, including management's expectation of growth in revenues. These estimates are considered to be critical particularly in light of current market circumstances and uncertainties in relation to Covid-19. The Group will continue to carry out regular impairment testing and does not consider that the intangible assets as of 31 December 2020 are impaired. Further, IFRS 9 also requires impairment considerations to be performed for trade receivables on an ongoing basis. Judgement for these are highly subjective and need to be done in the light of the payment patterns and current market conditions. Continued assessments are being done by management of the adequacy of the provisions to assess the carrying amount of trade receivables.

More information on where critical judgements are generally applied and where estimation uncertainty exists can be found in the Annual Report 2019, Note 3.

2.3 Reclassification of comparative numbers for 2019

EUR 1 million has been reclassified between direct costs and other operating expenses in the 2019 comparative information to provide a more relevant comparison to the current period presentation.

3 REVENUES

The Group targets end-users and generates revenue by driving organic traffic through various channels to generate customer leads for its business partners. The Group also generates revenue through acquisitions. All revenue generated via acquisitions and through the different marketing methodologies is categorised as one revenue segment in line with internal management reporting.

The revenue for Raketech in the respective periods in 2020 and 2019, is further analysed as follows:

EUR thousands	Oct-Dec 2020	Oct-Dec 2019	Change	Jan-Dec 2020	Jan-Dec 2019	Change
Revenue	8,460	5,845	44.7%	29,394	23,906	23.0%
- Commissions ¹	7,014	4,789	46.5%	24,878	19,916	24.9%
- Flat fees	1,446	1,056	36.9%	4,516	3,990	13.2%

¹ The total amount of commissions includes revenue from Rapidi, which is classified as revenue share

4 BUSINESS COMBINATION

On March 11, 2020, the Group entered an asset transfer agreement with Lead Republik Ltd (the sellers), an unrelated party. Raketech acquired all the assets, including all employees, of Lead Republik Ltd for an upfront payment of EUR 1.4 million, with the possibility of additional earnout payments based on certain performance measures. Lead Republik is a performance marketing company, registered in Malta, with global revenues, predominantly from Canada and Germany. The acquisition accompanies the Group's existing strategy for global expansion.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	On acquisition EUR in thousand
Purchase consideration	
Cash paid	1,400
Contingent consideration	372
Total purchase consideration	1,772

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value EUR in thousand
Player databases (note 5)	424
Technical platform (note 5)	1,062
Fair value of net identifiable assets acquired	1,486
Goodwill	286
Net assets acquired	1,772

The goodwill is predominantly attributable to future revenue synergies, which are based on the opportunity to reach new players through access to know-how and human capital. Goodwill will not be deductible for tax purposes. The acquired business contributed revenue of EUR 4.3 million for the Group for the period from 11 March to 31 December 2020.

5 INTANGIBLE ASSETS

Assets that have been identified as having a definite lifetime value are amortised between 3-5 years. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Management has concluded that the acquired assets are a single cash-generating unit for the purposes of IAS 36. This conclusion is based on the fact that the Group monitors and manages its operations as one business unit. For further description, please refer to the Annual Report.

EUR thousands	Domains and websites	Player databases	Other intellectual property	Technical platform	Software	Goodwill	Total
Cost at 1 January 2020	63,984	5,337	9,653	-	562	-	79,536
Additions (including adjustments arising as a result of a change in estimates)	9,657	1,708	4,126	1,062	-	286	16,839
Disposals ¹	(3,835)	(9)	(75)	-	-	-	(3,919)
Cost as at 31 December 2020	69,806	7,036	13,704	1,062	562	286	92,456
Accumulated amortisation and impairment 1 January 2020	-	(3,058)	(2,725)	-	(345)	-	(6,128)
Amortisation charge	-	(1,353)	(3,506)	(177)	(98)	-	(5,134)
Impairment charge	(40)	-	-	-	-	-	(40)
Amortisation and impairment as at 31 December 2020	(40)	(4,411)	(6,231)	(177)	(443)	-	(11,302)
Carrying amount as at 31 December 2020	69,766	2,625	7,473	885	119	286	81,154
Carrying amount as at 31 December 2019	63,984	2,279	6,927	-	217	-	73,407

¹ On November 6, 2020 Raketech announced that the company has divested its consumer finance assets to ROI Media UK, an unrelated third party, for a total consideration of EUR 4.2 million. with an upfront payment of EUR 3.4 million and a deferred consideration of EUR 0.8 million payable in three instalments over the upcoming 18 months. The consumer finance assets were acquired by Raketech in February 2017 for a total consideration of EUR 3.8 million. The gain from the sale of the asset is reported under Other non-operating income.

As already disclosed in Note 2, the Group's conclusion is that the recoverable amount is in excess of the intangible assets' carrying amount. The assessment includes cash flows projections reflecting actual income over current period, expected cash flows going forward, growth rate and a pre-tax discount rate, which is based on the Group's pre-tax weighted average cost of capital. The directors are satisfied that the judgments made are appropriate to the circumstances relevant to these assets and their cash-generation.

6 BORROWINGS

In December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of EUR 10 million. The termination date for the credit facility is December 20, 2021. The utilised credit as of 31 December 2020 amounts to EUR 2.0 million (EUR 3.5 million) before the capitalised transaction costs of EUR 0.2 million (EUR 0.2 million).

On 4 March 2019, Raketech repaid the outstanding debt of EUR 8.0 million (including accrued interest) from its previous loan facility with Ares Management.

7 AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations resulting from acquisitions of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments of performance-based amounts. The latter are further referred to as contingent consideration. This contingent consideration is measured at fair value and is included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently, at each reporting date, by calculating the expected cash outflow on each purchase agreement.

EUR thousands	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Opening balance	11,846	8,760	10,682	7,085
Acquisitions during the period/year	-	-	372	3,676
Settlements/setoffs	(1,732)	(1,070)	(6,723)	(5,127)
Notional interest charge	193	150	648	545
Adjustments arising as a result of a change in estimates	4,285	2,842	9,613	4,503
Closing balance	14,592	10,682	14,592	10,682

The additional amounts committed on acquisition relate to the acquisition of the asset of performance marketing company Lead Republik Ltd. The earn-out condition is partly capped up to a maximum of EUR 0.3 million up until 28 February 2021, and part of the earnout is uncapped, based on future performance up until 28 February 2022. Management's best estimate of the total contingent consideration for these assets amounted to EUR 0.4 million as of 31 December 2020.

The earn-out condition relating to Casumba is partly capped to a maximum of EUR 1.5 million until 31 December 2021, and part of the earnout is uncapped, based on future performance up until 31 July 2024. Management's best estimate of the total contingent consideration for these assets amounted to EUR 6.1 million (EUR 3.5 million) as of 31 December 2020.

The contingent consideration related to Casinofeber is uncapped, based on future performance up until 28 February 2023. Management's best estimate of the total contingent consideration for these assets amounted to EUR 8.1 million (EUR 7.0 million) as of 31 December 2020.

All contingent considerations for the assets have been recognised in the consolidated statement of financial position according to management's best estimate. The change in estimates according to the table above is related to contingent consideration for Casinofeber and Casumba.

The adjustment to reflect the total impact of discounting in the condensed consolidated statement of financial position, amounted to EUR 0.6 million (EUR 0.5 million) for the year to 31 December 2020. Of the amounts recognised in the condensed consolidated statement of financial position at 31 December 2020, EUR 5.9 million is considered to fall due for payment within less than 12 months from the end of the reporting period. The current debt will be settled through expected cash generation during 2021.

8 TREASURY SHARES

The programme to buy-back shares, initiated by the Board of directors after the authorisation at the Annual General Meeting held on 8 May 2019, was terminated until further notice after the decision taken by the Board of Directors during the fourth quarter of 2019. The total price for the repurchased shares under the programme amounts to SEK 8.8 million. The purpose of the buy-back was to decrease Raketech's capital and a total of 487,000 shares, equivalent to 1.3% of the total number of shares and votes in the company, were repurchased as part of the buy-back programme.

On 23 June 2020, all 487,000 shares were cancelled. The cancellation of shares has been reflected in Other reserves.

The buy-back programme, authorised at the AGM of 2019, was carried out in accordance with the Market Abuse Regulation (EU) 596/2014 ("MAR") and the Commission Delegated Regulation (EU) 2016/1052 ("Safe Harbour Regulation"). The total number of shares issued by Raketech now amounts to 37,413,633.

9 RELATED PARTY TRANSACTIONS

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties.

The following transactions were carried out with related parties during the respective periods:

EUR thousands	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Revenue	383	564	1,744	1,615
Expenses				
Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors	591	792	2,421	2,427
Amounts owed to related parties¹	137	109	137	109
Amounts owed by related parties	145	171	145	171

¹During Q1 2019, an agreement with a related party was reached, to waive the amount of EUR 2,281,714. The amount was recognised as other non-operating income in the condensed consolidated statement of comprehensive income.

Condensed Statement of Comprehensive Income – Parent Company

EUR thousands	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Employee benefit expense	(108)	(468)	(517)	(860)
Other operating expenses	(36)	-	(99)	(16)
Realised gain on exchange	-	1	-	1
Total operating expenses	(145)	(467)	(617)	(875)
Operating loss	(145)	(467)	(617)	(875)
Finance costs	(123)	(71)	(279)	(227)
Loss for the period/year – total comprehensive expense	(268)	(538)	(896)	(1,102)

Condensed Statement of Financial Position – Parent Company

EUR thousands	31 Dec 2020	31 Dec 2019
Assets		
Non - current assets		
Investment in subsidiaries	3,152	3,152
Trade and other receivables	39,904	42,007
Total non-current assets	43,056	45,159
Current assets		
Cash and cash equivalents	70	189
Total current assets	70	189
TOTAL ASSETS	43,127	45,348
Equity & Liabilities		
Equity		
Share capital	75	76
Share premium	41,603	41,603
Other reserves	(377)	(520)
(Accumulated losses)/Retained earnings	(172)	724
Total Equity	41,128	41,883
Liabilities		
Non-current liabilities		
Borrowings	-	3,354
Total non-current liabilities	-	3,354
Current liabilities		
Trade and other payables	67	111
Borrowings	1,931	-
Total current liabilities	1,998	111
Total liabilities	1,998	3,465
TOTAL EQUITY AND LIABILITIES	43,127	45,348

Assurance

The Board of Directors and the CEO affirm that this report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Group.

Malta, 17 February 2021

OSKAR MÜHLBACH

CEO

CHRISTIAN LUNDBERG

Chairman of the Board

JOHAN SVENSSON

Board member

PATRIK BLOCH

Board member

FREDRIK SVEDERMAN

Board member

ERIK SKARP

Board member

ANNIKA BILLBERG

Board member

Presentation for investors, analysts and the media: CEO Oskar Mühlbach and CFO Måns Svalborn will present the report and answer questions at 09.00 a.m. CET on 17 February 2021.

The presentation will be held in English and can be followed online via: <https://tv.streamfabriken.com/raketech-q4-2020>

To participate in the call, please dial:

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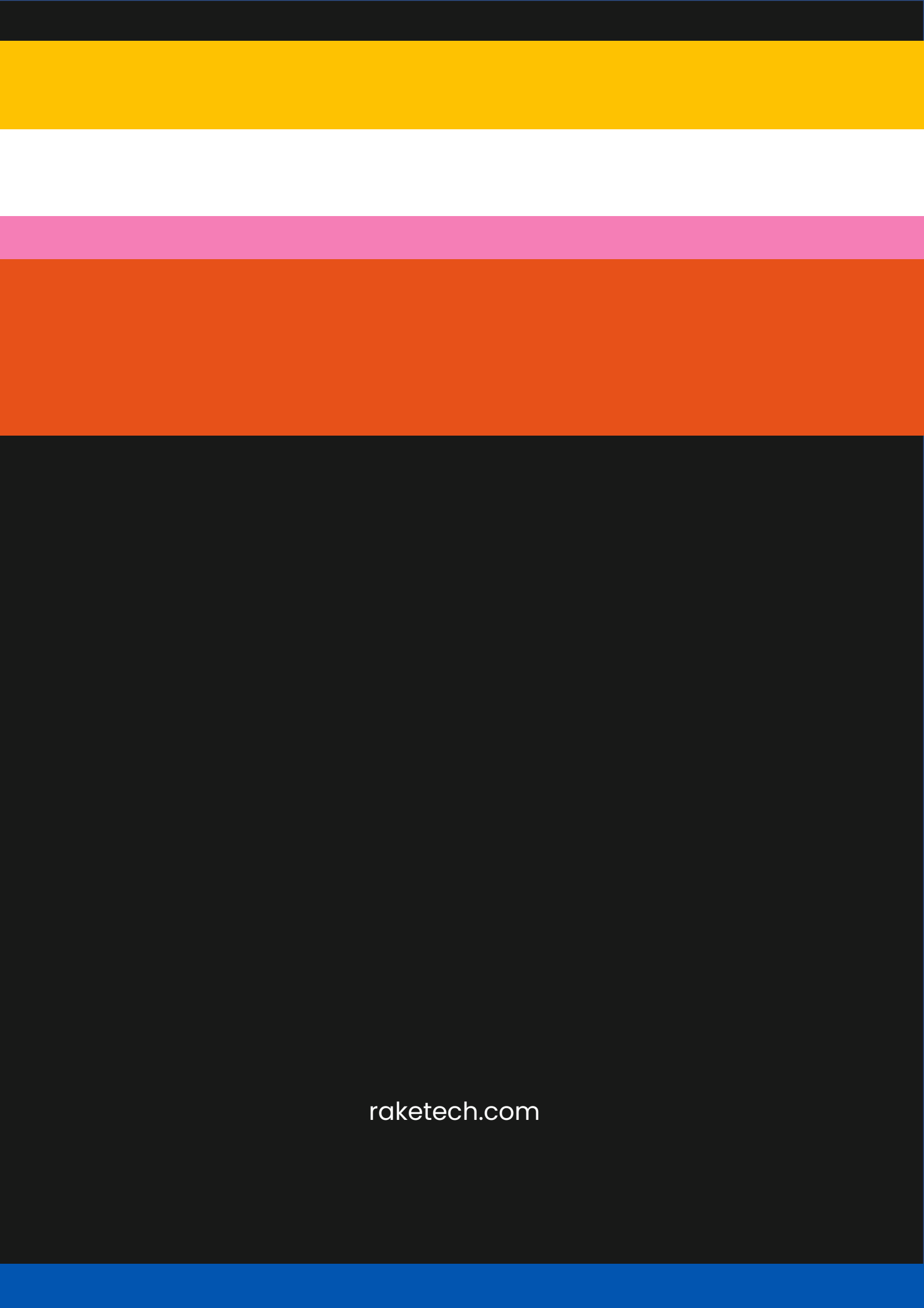
+1 833 526 8347 (US)

This information is such that Raketech Group Holding PLC is required to publish under the EU Market Abuse Regulation. The information was submitted under the auspices of the above contact person for publication at 8.00 a.m. CET on 17 February 2021.

Definitions of Alternative Performance Measures

Unless defined otherwise in this report, the terms below have the following definitions

ADJUSTED EBITDA	EBITDA adjusted for exceptional costs
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of total revenue for the period/year
ADJUSTED OPERATING MARGIN	Operating margin adjusted for exceptional costs
ADJUSTED OPERATING PROFIT	Operating profit adjusted for exceptional costs
EBITDA	Operating profit before depreciation, amortisation and impairment
EBITDA MARGIN	EBITDA as a percentage of revenue for the period/year
LTM	Last twelve months
NDC (NEW DEPOSITING CUSTOMER)	A new customer placing a first deposit on a partners' website
NET DEBT-TO-ADJUSTED EBITDA	Net interest-bearing debt at the end of the period/year in relation to adjusted LTM EBITDA
NET INTEREST-BEARING DEBT	Interest-bearing debt at the end of the period/year, excluding earn-outs from acquisitions, minus cash and cash equivalents at the end of the period/year
OPERATING MARGIN	Operating profit as a percentage of revenue for the period/year
OPERATING PROFIT	Profit before financial items and taxes
ORGANIC GROWTH	Revenue growth rate adjusted for acquired portfolios and products. Organic growth includes the growth in existing products and the revenue growth related to acquired portfolios and products post acquisition
REVENUE GROWTH	Increase in revenue compared to the previous accounting period/year as a percentage of revenue in the previous accounting period/year
TRAFFIC	Relates to the number of visitors/users of Raketech's assets



raketech.com