RAKETECH

Q3| Interim Report

2024

Challenging Environment Continues, Solid Free Cash Flow

EUR thousands	Jul-Sep 2024	Jul-Sep 2023	Change	Jan-Sep 2024	Jan-Sep 2023	Change
Revenue	12,914	21,504	(39.9%)	48,835	54,897	(11.0%)
Reported EBITDA	3,004	5,610	(46.5%)	11,652	17,602	(33.8%)
Adjusted EBITDA	3,108	5,610	(44.6%)	12,533	17,197	(27.1%)
Operating profit/(loss)	375	2,207	(83.0%)	(7,244)	8,910	(181.3%)
Adjusted operating profit	479	2,325	(79.4%)	4,115	8,505	(51.6%)
Free cash flow before earnouts	3,831	3,159	21.3%	13,065	13,739	(4.9%)

FINANCIAL HIGHLIGHTS

- Revenues in Q3 2024 totalled EUR 12.9 million (EUR 21.5 million, of which EUR 0.4 million from the divested advisory business), with adjusted EBITDA of EUR 3.1 million (EUR 5.6 million) and EBITDA of EUR 3.0 million (EUR 5.6 million).
- Our previously communicated review of our operating model that started during the first quarter of this year has led to realized cost savings, excluding publisher costs, of 18% compared to Q1 2024.
- Despite a challenging environment for the sector in general, we see a sequential improvement into November, and we forecast Q4 2024 adjusted EBITDA to be slightly ahead of Q3 2024.
- Free cash flow before earnouts increased to EUR 3.8 million (EUR 3.2 million), positively impacted by timing of settlement of trade receivables and payables, allowing us to meet our upcoming earnout commitment of EUR 9.9 million, payable up until the first half of next year. The remaining earnout obligation of EUR 20.6 million can be settled at any point in time, at our discretion, up until September 2026.

OPERATIONAL HIGHLIGHTS

- During the quarter we closed a new partnership agreement with a large US operator, through AffiliationCloud, overseeing their tier 2 and tier 3 affiliates, providing a strong reference point for our future ambitions in the US market and SubAffiliation.
- July 31st, we completed the sale of the land-based betting tips advisory business. This divestment is part of our strategy for our US business and allows us to concentrate on our core digital subscription and affiliation offerings.
- After the quarter, as one of our initiatives to optimize our operating model, we entered a strategic partnership with the founders of our Slots portfolio, which has a presence in Southern Europe and Latin America. This move aligns with our initiative to expand strategic partnerships and enhance growth potential in these markets.

SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

INCREASE IN SHARES FOLLOWING EARNOUT CONSIDERATION PAYMENT

On October 16, Raketech announced it will issue shares in connection with an earnout consideration payment to the founders of Casumba. The number of shares will increase by 1,071,00 determined by the volume-weighted RAKE share price for the period from 1 June to 31 August 2024, which was 8.89 SEK per share.

CURRENT TRADING AND OUTLOOK

October revenues reached EUR 4.0 million (EUR 7.7 million, of which EUR 0.4 million from the divested advisory business). Despite a challenging environment for the sector in general, we see a sequential improvement into November, and we forecast Q4 2024 adjusted EBITDA to be slightly ahead of Q3 2024. This indicates that reaching the lower end of our full-year guidance of EUR 17 to 19 million in adjusted EBITDA will be difficult. Visibility is limited due to the ongoing operational challenges for our publishers within Raketech Network, and around the expectation of a usually stronger second half of Q4 for both casino and US Sports.

CEO Comment

Revenues in Q3 2024 totalled EUR 12.9 million, down 39.9% compared to a very strong Q3 2023 (EUR 21.5 million, of which EUR 0.4 million from the divested advisory business), with adjusted EBITDA of EUR 3.1 million (EUR 5.6 million) and EBITDA of EUR 3.0 million (EUR 5.6 million) reflecting lower sales in all business areas.

Affiliation marketing revenues declined 28%, with Casumba assets particularly affected by the Google core update earlier this year. Additionally, Swedish casino assets were affected by increased gaming taxes from July. Despite the substantial decline year on year, Affiliation Marketing revenues were stable between the months during Q3 and into October.

SubAffiliation revenues declined by 51% impacted by the operational challenges within Raketech Network, which has been consistent for the entire industry throughout the quarter. Raketech Network began to stabilize after the quarter in October. AffiliationCloud continued to grow sequentially.

We have continued our evaluation of all products and business areas to better position ourselves for sustainable, long-term growth and operational efficiency. These initiatives have resulted in the successful sale of ATS Advisory on July 31st and the formation of two strategic partnerships within Affiliation Marketing, as well as realizing cost savings following the review of our operating model.

Performance by business area

Affiliation Marketing: We have not yet seen any sustained recovery for the Casumba assets, although the assets have sporadically increased traffic during the quarter from improved Google rankings. We have further strengthened the organization working with the Casumba assets where the founders remain in strategic roles. Our Swedish casino assets saw some decline during the quarter, following the tax increase on July 1st as operators' investment willingness softened. Other Nordic casino markets remained stable or growing during the quarter. Our Sports assets declined sequentially compared to a strong comparative period including the UEFA Euro and IPL in Q2 but mainly in-line with performance of last year.

After the quarter, as one of our initiatives to optimize our operating model we entered a strategic partnership with the founders of our Slots portfolio, which has a presence in Southern Europe and Latin America. This move aligns with our initiative to expand strategic partnerships and enhance growth potential in these markets. With this strengthened collaboration, we are optimistic about expanding this product group and realizing its full potential in 2025. We will continue to assess strategic partnership opportunities within our current portfolio to drive growth and unlock additional value.

***SubAffiliation*:** Google related operational challenges for publishers within our paid SubAffiliation, Raketech Network, deepened in Q3. Following the initial difficulties observed in Q2, activity and revenue levels hit a low point by the end of the quarter. The revenue decline observed in Q3 is largely due to external factors beyond our immediate control. Our relationships with operators and publishers remain strong and mutually beneficial, with both parties continuing to value our services and post-quarter revenue trends indicate some improvement in Q4.

Our proprietary SubAffiliation platform, AffiliationCloud, continued to grow during Q3, demonstrating the platform's increasing importance in our overall strategy. A significant factor in its expansion has been the strong relationships we have built through exclusive partnerships, where operators trust our team to manage their affiliation marketing comprehensively, covering distribution, compliance, and commercial aspects. During Q3 we closed a new partnership agreement with a large US operator overseeing their tier 2 and tier 3 affiliates, providing a strong reference point for our future ambitions in the US market and SubAffiliation. Our dedicated team has now secured partnerships with four different brands and to capitalise on this momentum we will continue to invest in the development and scalability of AffiliationCloud to enhance the platform's position in the market. Part of this strategy includes continued investment in AffiliationCloud to migrate our entire SubAffiliation business to our own platform, to give us control and drive efficiency across all methods of lead generation, both for the operators and publishers.

***Betting tips and Subscription*:** In Q3, we completed the sale of the land-based betting tips advisory business. This divestment is part of our strategy for our US business and allows us to concentrate on our core digital subscription and affiliation offerings. The divestment results in a year-over-year decrease for our U.S. operations from August 1 and has a revenue effect of EUR 0.4 million during the quarter compared to previous year.

Our flagship sites, Winnersandwhiners.com and Picksandparlays.net, continued to attract strong traffic, demonstrating high user engagement. We also saw an increase in digital subscription and affiliation revenue, building on prior low levels. With consistently high session volumes, we're actively exploring monetization options to turn this business area EBITDA positive. We are furthermore evaluating other strategic alternatives to preserve and potentially realize the full value of these assets within our US portfolio.

Outlook

October revenues reached EUR 4.0 million (EUR 7.7 million, of which EUR 0.4 million from the divested advisory business). Despite a challenging environment for the sector in general, we see a sequential improvement into November, and we forecast Q4 2024 adjusted EBITDA to be slightly ahead of Q3 2024. This indicates that reaching the lower end of our full-year guidance of EUR 17 to 19 million in adjusted EBITDA will be difficult. Visibility is limited due to the ongoing operational challenges for our publishers within Raketech Network, and around the expectation of a usually stronger second half of Q4 for both casino and US Sports. Free cash flow before earnouts is projected to be at least on par with EBITDA, allowing us to meet our upcoming earnout commitment of EUR 9.9 million, payable up until the first half of next year. The remaining earnout obligation of EUR 20.6 million can be settled at any point in time, at our discretion, up until September 2026.

Johan Svensson, CEO

Consolidated Key Data and Ratios

Some financial metrics presented in this report, including key data and ratios are not defined by International Financial Reporting Standards (IFRS). These metrics will not necessarily be comparable to similarly titled metrics in the reports of other companies. Further definitions can be found on page 25 of this report. These non-IFRS metrics may provide valuable additional information to investors and management although they should not be considered as substitutes for financial reporting metrics prepared in accordance with IFRS.

EUR thousands	Jul-Sep 2024	Jul-Sep 2023	Change	Jan-Sep 2024	Jan-Sep 2023	Change	Jan-Dec 2023
Financial Data							
Revenue (IFRS)	**12,914**	**21,504**	**(39.9%)**	**48,835**	**54,897**	**(11.0%)**	**77,688**
Organic growth	(39.9%)	65.8%	(105.7)	(11.0%)	48.5%	(59.5)	47.6%
Revenue share	37.8%	29.8%	8.0	34.3%	32.3%	2.0	30.7%
Upfront payment	37.6%	55.5%	(18.0)	44.1%	48.3%	(4.2)	50.1%
Flat fee	20.1%	10.4%	9.7	15.5%	13.3%	2.2	12.7%
Betting tips and subscription income	4.5%	4.3%	0.2	6.1%	6.1%	(0.1)	6.5%
Affiliation marketing	**6,783**	**9,462**	**(28.3%)**	**23,198**	**30,542**	**(24.0%)**	**40,198**
% of total revenue	52.5%	44.0%	8.5	47.5%	55.6%	(8.1)	51.7%
Sub-affiliation	**5,470**	**11,109**	**(50.8%)**	**22,606**	**20,994**	**7.7%**	**32,443**
% of total revenue	42.4%	51.7%	(9.3)	46.3%	38.3%	7.9	41.8%
Betting tips and subscription income	**661**	**933**	**(29.2%)**	**3,031**	**3,361**	**(9.8%)**	**5,047**
% of total revenue	5.1%	4.3%	0.8	6.2%	6.1%	0.1	6.5%
Casino	**10,495**	**18,379**	**(42.9%)**	**39,505**	**44,645**	**(11.5%)**	**63,090**
% of total revenue	81.3%	85.5%	(4.3)	80.9%	81.3%	(0.4)	81.2%
Sport	**2,419**	**3,125**	**(22.6%)**	**9,330**	**10,252**	**(9.0%)**	**14,598**
% of total revenue	18.7%	14.5%	4.2	19.1%	18.7%	0.4	18.8%
Sub-affiliation							
Revenues	5,470	11,109	(50.8%)	22,606	20,995	7.7%	32,443
Publisher costs	(4,119)	(9,364)	(56.0%)	(17,304)	(17,748)	(2.5%)	(27,715)
Gross profit	**1,351**	**1,745**	**(22.6%)**	**5,302**	**3,247**	**63.3%**	**4,728**
Revenue from the Nordics	**5,939**	**10,020**	**(40.7%)**	**21,139**	**22,986**	**(8.0%)**	**33,561**
% of total revenue	46.0%	46.6%	(0.6)	43.3%	41.9%	1.4	43.2%
Revenue from Rest of Europe	**464**	**1,114**	**(58.3%)**	**2,464**	**2,436**	**1.2%**	**3,237**
% of total revenue	3.6%	5.2%	(1.6)	5.0%	4.4%	0.6	4.2%
Revenue from US	**945**	**1,114**	**(15.1%)**	**4,140**	**4,284**	**(3.4%)**	**6,370**
% of total revenue	7.3%	5.2%	2.1	8.5%	7.8%	0.7	8.2%
Revenue from Rest of World	**5,566**	**9,256**	**(39.9%)**	**21,092**	**25,191**	**(16.3%)**	**34,520**
% of total revenue	43.1%	43.0%	0.1	43.2%	45.9%	(2.7)	44.4%
EBITDA	**3,004**	**5,610**	**(46.5%)**	**11,652**	**17,602**	**(33.8%)**	**23,605**
EBITDA margin	23.3%	26.1%	(2.8)	23.9%	32.1%	(8.2)	30.4%
Adjusted EBITDA[1,2,3]	**3,108**	**5,610**	**(44.6%)**	**12,533**	**17,197**	**(27.1%)**	**23,200**
Adjusted EBITDA margin[1,2,3]	24.1%	26.1%	(2.0)	25.7%	31.3%	(5.7)	29.9%
Operating profit/(loss)	**375**	**2,207**	**(83.0%)**	**(7,244)**	**8,910**	**(181.3%)**	**11,663**
Operating margin	2.9%	10.3%	(7.4)	(14.8%)	16.2%	(31.1)	15.0%
Adjusted operating profit[1,2,3,4,5]	**479**	**2,325**	**(79.4%)**	**4,115**	**8,505**	**(51.6%)**	**11,258**
Adjusted operating margin[1,2,3,4,5]	3.7%	10.8%	(7.1)	8.4%	15.5%	(7.1)	14.5%
(Loss)/profit for the period/year	**(73)**	**844**	**(108.6%)**	**(9,773)**	**5,435**	**(279.8%)**	**6,607**
(Loss)/profit margin	(0.6%)	3.9%	(4.5)	(20.0%)	9.9%	(29.9)	8.5%
Adjusted profit for the period/year[1,2,3,4,5,6]	**31**	**997**	**(96.9%)**	**1,587**	**5,030**	**(68.5%)**	**6,202**
Adjusted profit margin[1,2,3,4,5,6]	0.2%	4.6%	(4.4)	3.2%	9.2%	(5.9)	8.0%

[1] *The Revaluation of financial liabilities at fair value through profit or loss of EUR 0.4 million in Q2 2023 is considered as non-recurring income.*

[2] *In Q1 2024, redundancy costs of EUR 0.8 million incurred due to the organisational restructuring, were recognised as non-recurring costs.*

[3] *In Q3 2024, redundancy costs of EUR 0.1 million incurred due to the organisational restructuring, were recognised as non-recurring costs.*

[4] *In Q2 2024, impairment on US assets amounted to EUR 10.5 million.*

[5] *In Q3 2023, the Casumba earn-out revision to reflect interest expense resulted in additional amortisation costs of EUR 0.1 million.*

[6] *In Q3 2023, the Casumba earn-out revision to reflect interest expense resulted in additional finance costs of EUR 34,000.*

EUR thousands	Jul-Sep 2024	Jul-Sep 2023	Change	Jan-Sep 2024	Jan-Sep 2023	Change	Jan-Dec 2023
Other Performance Measures							
New depositing customers (NDC)	38,437	75,552	(49.1%)	147,594	188,303	(21.6%)	263,871
Full time employees	116	129	(10.1%)	116	129	(10.1%)	137
Contractors	63	95	(33.7%)	63	95	(33.7%)	92
Free cash flow before earnouts	3,831	3,159	21.3%	13,065	13,739	(4.9%)	18,942
Free cash flow after earnouts	3,228	3,159	2.2%	(443)	9,313	(104.8%)	14,076
Net interest-bearing debt	(3,046)	(494)	516.6%	(3,046)	(494)	516.6%	(3,625)
Net debt-to-adjusted EBITDA LTM	(0.44)	(0.02)	1,988.0%	(0.44)	(0.02)	1,988.0%	(0.16)
Earnings per share before dilution (EUR) (IFRS)	(0.002)	0.02	(108.5%)	(0.23)	0.13	(277.6%)	0.16
Earnings per share after dilution (EUR) (IFRS)[1]	(0.001)	0.02	(107.8%)	(0.19)	0.11	(268.3%)	0.13
Adjusted earnings per share before dilution (EUR) (IFRS)[2,3,4,5,6,7]	0.001	0.02	(97.0%)	0.04	0.12	(68.9%)	0.15
Adjusted earnings per share after dilution (EUR) (IFRS)[1,2,3,4,5,6,7]	0.001	0.02	(97.4%)	0.03	0.10	(70.5%)	0.13
Weighted average number of shares, before dilution	43,121,681	42,324,856	1.9%	42,851,758	42,321,046	1.3%	42,407,163
Weighted average number of shares, after dilution[1]	56,603,376	50,864,925	11.3%	52,680,464	49,302,902	6.9%	50,003,034

[1]The option to partially settle Casumba Media's earnout with shares of Raketech Group Holding P.L.C. has been reflected in diluted earnings per share and weighted average number of shares. For further details, refer to note 7.
[2] The Revaluation of financial liabilities at fair value through profit or loss of EUR 0.4 million in Q2 2023 is considered as non-recurring income.
[3] In Q1 2024, redundancy costs of EUR 0.8 million incurred due to the organisational restructuring, were recognised as non-recurring costs.
[4] In Q3 2024, redundancy costs of EUR 0.1 million incurred due to the organisational restructuring, were recognised as non-recurring costs.
[5]In Q2 2024, impairment on US assets amounted to EUR 10.5 million.
[6] In Q3 2023, the Casumba earn-out revision to reflect interest expense resulted in additional amortisation costs of EUR 0.1 million.
[7] In Q3 2023, the Casumba earn-out revision to reflect interest expense resulted in additional finance costs of EUR 34,000.

Financial Performance during the Third Quarter of 2024

REVENUES

Revenues totalled EUR 12.9 million (EUR 21.5 million) representing a decrease of 39.9%, as NDCs decreased by 49.1%. The decrease in NDCs reflects a softer performance largely driven by SubAffiliation.

EXPENSES

Publisher costs decreased to EUR 4.1 million (EUR 9.4 million) driven by the decreased activity for SubAffiliation.

Other direct expenses were EUR 1.1 million (EUR 1.2 million).

Employee benefit expenses amounted to EUR 2.2 million (EUR 2.5 million). Full-time employees totalled 116 (129) at the end of the period.

Other expenses decreased to EUR 2.3 million (EUR 2.8 million), representing primarily positive effects from organisational restructuring. Contractors totalled 63 (95) at the end of the period.

Depreciation and amortisation amounted to EUR 2.7 million (EUR 3.4 million).

PROFITABILITY

Reported EBITDA decreased to EUR 3.0 million (EUR 5.6 million), with softer development for affiliation marketing and SubAffiliation, somewhat offset by implemented cost efficiencies.

The EBITDA margin amounted to 23.3% (26.1%) reflecting the current product mix of low versus high margin business areas.

The loss for the period amounted to EUR 0.1 million, (profit EUR 0.8 million), impacted by non-cash affecting amortisation and finance cost. Adjusted for costs related to redundancies, the profit for the period amounted to EUR 0.03 million (EUR 1.0 million).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities was EUR 4.1 million (EUR 3.6 million).

Cash flow used in investing activities amounted to EUR -0.8 million (EUR -0.1 million) primarily due to earnout payments for Casumba Media and acquisitions of property, plant and equipment made during the quarter.

Cash flow used in financing activities amounted to EUR -7.6 million (EUR -0.3 million), as a result of the Avida loan repayment made during the quarter.

Cash and cash equivalents at the end of the quarter amounted to EUR 5.5 million (EUR 15.4 million).

THE PARENT COMPANY

Raketech Group Holding P.L.C is the Parent Company. Total operating costs amounted to EUR 0.3 million (EUR 0.4 million). Loss for the period was EUR 0.5 million (EUR 0.4 million).

Financial Performance during the First Nine Months of 2024

REVENUES

Revenues totalled EUR 48.8 million (EUR 54.9 million) representing a decrease of 11.0%. NDCs decreased by 21.6% as an effect of softer performance, largely driven by lower activity within SubAffiliation.

EXPENSES

Publisher costs slightly decreased to EUR 17.3 million (EUR 17.7 million) driven by a more moderate SubAffiliation activity when compared to previous period.

Other direct expenses were EUR 3.6 million (EUR 3.8 million) largely in line with last year.

Employee benefit expenses amounted to EUR 7.8 million (EUR 7.4 million). Adjusted for costs related to restructuring, employee benefit expenses amounted to EUR 6.9 million (EUR 7.4 million). Full-time employees totalled 116 (129) at the end of the period.

Other expenses decreased to EUR 8.2 million (EUR 8.5 million), representing primarily a decrease in contractor compensation. Contractors totalled 63 (95) at the end of the period.

Depreciation and amortisation amounted to EUR 8.5 million (EUR 8.7 million) in line with last year. During the second quarter, an impairment review on goodwill, websites and domains within the US, led to impairment costs of EUR 10.5 million (nil).

PROFITABILITY

Reported EBITDA decreased to EUR 11.7 million (EUR 17.6 million), with softer development for affiliation marketing and SubAffiliation, somewhat offset by implemented cost efficiencies. Adjusted for costs related to re-structuring, EBITDA amounted to EUR 12.5 million (EUR 17.2 million).

The EBITDA margin amounted to 23.9% (32.1%) reflecting the current product mix of low versus high margin business areas. Adjusted for costs related to re-structuring the EBITDA margin was 25.7% (31.3%).

The loss for the period amounted to EUR 9.8 million, (profit EUR 5.4 million), impacted by increased non-cash affecting amortisation, impairment and finance cost. Adjusted for costs related to re-structuring and impairment, the profit for the period amounted to EUR 1.6 million (EUR 5.0 million).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 14.4 million (EUR 15.3 million), due to lower profits, compensated by timing for settlement of trade receivables.

Cash flow used in investing activities amounted to EUR -14.2 million (EUR -4.9 million) primarily due to earn-out settlements made during the period.

Cash flow used in financing activities amounted to EUR -8.1 million (EUR -3.0 million), as a result of the Avida loan repayment made in the third quarter.

Cash and cash equivalents at the end of the period amounted to EUR 5.5 million (EUR 15.4 million).

THE PARENT COMPANY

Raketech Group Holding P.L.C is the Parent Company. Total operating costs amounted to EUR 1.2 million (EUR 1.2 million). Loss for the period was EUR 0.8 million (EUR 1.2 million).

Other

RAKETECH IN BRIEF

Raketech is a marketing tech company combining performance marketing and traditional performance-based affiliation by offering a wide portfolio of advertising space as well as data analysis tools to allow advertisers to maximise the value of their media spend. Our customers span from sports streaming providers and game studios to the largest segment, international betting and casino operators. Raketech's goal is to generate high quality leads and targeted advertisement space by providing relevant and engaging content to users interested in sports, casino and betting. Raketech also offers its services through sub-affiliation and provides tailored sports data insights, analytics and predictions directly to consumers.

STOCK MARKET

Raketech Group Holding P.L.C is listed on Nasdaq First North Premier Growth Market. Raketech's shares commenced trading on 29 June 2018 and the outstanding number of shares is 44,153,227. The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

SIGNIFICANT RISKS AND UNCERTAINTIES

The gaming industry, where the Group has its main customers, continues to undergo regulation. Raketech operates in the emerging online gaming industry in both regulated and unregulated markets and is therefore subject to political and regulatory risk. Although Raketech is a performance marketing company and not an online gaming operator, the legislation concerning online gambling could indirectly affect Raketech's operations. Changes to existing regulations in various jurisdictions might impact the ability for online 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 online gaming operators.

The Group actively monitors regulatory changes and emerging topics within the European market, and also changes in the North American, South American and the Asian markets. If any new regulatory regimes come into force, the Group will conform with such marketing requirements. As the Group continues to embark on its growth strategy with the ambition to enhance the global footprint, the exposure to different regulatory frameworks continue to increase.

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

• Operational risk which can arise in the SEO environment if search engines, such as Google, change their structure. Raketech monitors algorithm changes on an ongoing basis, controls content quality and ensures its websites are well-built, fast and up to date.

• Risk related to information security such as cyberattack or fraud as an effect of Raketech operating in the digital space. The Group conducts constant monitoring to detect any security issues. The Group has a dedicated IT security team tasked with protecting against data breaches and similar weaknesses, based on defined security management processes.

For the principal financial risks and exposures, refer to note 4 'Financial Risk Management' in the Annual Report that details the key risk factors including market risk, credit risk, liquidity risk and the Group's approach towards managing these risks.

SUPPLEMENTAL INFORMATION

This report has not been subject to an audit by the Group auditors and is therefore considered to be unaudited. The Group auditors PricewaterhouseCoopers Malta have however carried out a review under the International Standard on Review Engagements (ISRE) 2410.

Carnegie Investment Bank AB acts as the Group's certified advisor.

Upcoming Dates

19 FEB	YEAR END REPORT 2024
7 May	INTERIM REPORT JAN-MAR 2025

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

Report on review of interim financial information

To the Directors of Raketech Group Holding p.l.c.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Raketech Group Holding p.l.c. and its subsidiaries (the "Group") as at 30 September 2024 and the related condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine-month period then ended and other explanatory notes. The directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

Other matters

This report, including the conclusion, has been prepared for and only for the Group and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Ian Curmi
Principal

PricewaterhouseCoopers
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Qormi
Malta

14 November 2024

Condensed Consolidated Interim Income Statement

EUR thousands	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Total revenue	3	**12,914**	21,504	**48,835**	54,897	77,688
Publisher costs		**(4,119)**	(9,364)	**(17,304)**	(17,748)	(27,715)
Other direct costs relating to fixed fees and commission revenue		**(1,112)**	(1,183)	**(3,634)**	(3,755)	(5,045)
Employee benefit expense		**(2,196)**	(2,453)	**(7,809)**	(7,370)	(9,968)
Depreciation and amortisation		**(2,690)**	(3,403)	**(8,479)**	(8,692)	(11,942)
Impairment on intangible assets		**61**	-	**(10,417)**	-	-
Movement in loss allowance on trade receivables		**(38)**	(43)	**(66)**	(293)	(89)
Bad debts written-off		**(106)**	(34)	**(148)**	(39)	(75)
Other operating expenses		**(2,339)**	(2,817)	**(8,222)**	(8,495)	(11,596)
Total operating expenses		**(12,539)**	(19,297)	**(56,079)**	(46,392)	(66,430)
Revaluation of financial liabilities at fair value through profit or loss		**-**	-	**-**	405	405
Operating profit/(loss)		**375**	2,207	**(7,244)**	8,910	11,663
Loan finance costs		**(178)**	(380)	**(737)**	(1,047)	(1,449)
Other finance costs		**(162)**	(707)	**(1,237)**	(1,813)	(2,739)
Profit/(loss) before tax		**35**	1,120	**(9,218)**	6,050	7,475
Current tax expense		**(109)**	(241)	**(682)**	(480)	(681)
Deferred tax credit/(expense)		**1**	(35)	**127**	(135)	(187)
(Loss)/profit for the period/ year		**(73)**	844	**(9,773)**	5,435	6,607
(Loss)/profit for the period/ year attributable to owners of the parent		**(73)**	844	**(9,773)**	5,435	6,607
Earnings per share attributable to the equity holders of the Parent during the period/year						
Earnings per share before dilution (in EUR)		**(0.002)**	0.02	**(0.23)**	0.13	0.16
Earnings per share after dilution (in EUR)[1]		**(0.001)**	0.02	**(0.19)**	0.11	0.13
Adjusted earnings per share before dilution (in EUR)[2,3,4,5,6]		**0.001**	0.02	**0.04**	0.12	0.15
Adjusted earnings per share after dilution (in EUR)[1,2,3,4,5,6]		**0.001**	0.02	**0.03**	0.10	0.13

[1] The option to partially settle Casumba Media's earnout with shares of Raketech Group Holding P.L.C. has been reflected in diluted earnings per share and weighted average number of shares. For further details, refer to note 7.

[2] The Revaluation of financial liabilities at fair value through profit or loss of EUR 0.4 million in Q2 2023 is considered as non-recurring income.

[3] In Q1 2024, redundancy costs of EUR 0.8 million incurred due to the organisational restructuring, were recognised as non-recurring costs.

[4] In Q3 2024, redundancy costs of EUR 0.1 million incurred due to the organisational restructuring, were recognised as non-recurring costs.

[5] In Q2 2024, impairment on US assets amounted to EUR 10.5 million.

[6] In Q3 2023, the Casumba earn-out revision to reflect interest expense resulted in additional amortisation costs of EUR 0.1 million.

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income

EUR thousands	*Jul-Sep 2024*	*Jul-Sep 2023*	*Jan-Sep 2024*	*Jan-Sep 2023*	*Jan-Dec 2023*
(Loss)/profit for the period/ year	**(73)**	844	**(9,773)**	5,435	6,607
Other comprehensive income					
Items that may be reclassified to profit or loss					
Currency translation adjustments taken to equity	**(556)**	325	**(56)**	75	(604)
Total other comprehensive income for the period/year	**(556)**	325	**(56)**	75	(604)
Total comprehensive income for the period/year	**(629)**	1,169	**(9,829)**	5,510	6,003
Comprehensive income for the period/year attributable to owners of the parent	**(629)**	1,169	**(9,829)**	5,510	6,003

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

EUR thousands	Notes	Sep 2024	Sep 2023	Dec 2023
Assets				
Non-current assets				
Goodwill	5	**286**	1,215	1,206
Intangible assets	5	**118,928**	143,269	139,294
Right-of-use assets	4	**500**	137	102
Property, plant and equipment		**297**	124	101
Deferred tax asset		**401**	213	291
Total non-current assets		**120,412**	144,958	140,994
Current assets				
Trade and other receivables		**7,609**	12,063	11,835
Cash and cash equivalents		**5,520**	15,361	13,459
Total current assets		**13,129**	27,424	25,294
TOTAL ASSETS		**133,541**	172,382	166,288
Equity & Liabilities				
Equity				
Share capital	7	**89**	85	86
Share premium	7	**50,615**	48,587	48,951
Currency translation reserve		**179**	914	235
Other reserves		**1,370**	1,396	1,160
Retained earnings		**39,092**	47,693	48,865
TOTAL EQUITY		**91,345**	98,675	99,297
Liabilities				
Non-current liabilities				
Borrowings	6	**-**	4,983	-
Deferred tax liabilities		**3,563**	3,432	3,571
Amounts committed on acquisition	7	**19,322**	30,662	28,170
Lease liability	4	**338**	14	-
Total non-current liabilities		**23,223**	39,091	31,741
Current liabilities				
Borrowings	6	**2,474**	9,884	9,834
Amounts committed on acquisition	7	**12,048**	15,643	18,291
Trade and other payables		**3,464**	6,542	6,568
Current tax liabilities		**821**	427	449
Dividends payable		**-**	1,989	-
Lease liability	4	**166**	131	108
Total current liabilities		**18,973**	34,616	35,250
TOTAL LIABILITIES		**42,196**	73,707	66,991
TOTAL EQUITY AND LIABILITIES		**133,541**	172,382	166,288

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 11 to 21 were approved for publication by the Board of Directors on 14 November 2024 and were signed on the Board of Directors' behalf by:

***Erik Skarp**, Board member*

***Clare Boynton**, Board member*

Condensed Consolidated Interim Statement of Changes in Equity

EUR thousands	Note	Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company
Balance at 1 January 2024		86	48,951	235	1,160	48,865	99,297
Comprehensive income							
Loss for the period		-	-	-	-	(9,773)	(9,773)
Other comprehensive income							
Currency translation adjustments taken to equity		-	-	(56)	-	-	(56)
		-	**-**	**(56)**	**-**	**(9,773)**	**(9,829)**
Transactions with owners							
Issue of share capital	7	3	1,664	-	-	-	1,667
Equity-settled share-based		-	-	-	210	-	210
Total transactions with owners		**3**	**1,664**	**-**	**210**	**-**	**1,877**
Balance at 30 September 2024		**89**	**50,615**	**179**	**1,370**	**39,092**	**91,345**
Balance at 1 January 2023		85	48,587	839	921	46,236	96,668
Comprehensive income							
Profit for the period		-	-	-	-	5,435	5,435
Other comprehensive income							
Currency translation adjustments taken to equity		-	-	75	-	-	75
		-	**-**	**75**	**-**	**5,435**	**5,510**
Transactions with owners							
Capital contribution		-	-	-	305	-	305
Equity-settled share-based		-	-	-	170	-	170
Dividends declared		-	-	-	-	(3,978)	(3,978)
Total transactions with owners		**-**	**-**	**-**	**475**	**(3,978)**	**(3,503)**
Balance at 30 September 2023		**85**	**48,587**	**914**	**1,396**	**47,693**	**98,675**
Balance at 1 January 2023		85	48,587	839	921	46,236	96,668
Comprehensive income							
Profit for the year		-	-	-	-	6,607	6,607
Other comprehensive income							
Currency translation adjustments taken to equity		-	-	(604)	-	-	(604)
		-	**-**	**(604)**	**-**	**6,607**	**6,003**
Transactions with owners							
Issue of share capital		1	364	-	-	-	365
Equity-settled share-based		-	-	-	239	-	239
Dividends paid		-	-	-	-	(3,978)	(3,978)
Total transactions with owners		**1**	**364**	**-**	**239**	**(3,978)**	**(3,374)**
Balance at 31 December 2023		**86**	**48,951**	**235**	**1,160**	**48,865**	**99,297**

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

EUR thousands	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Cash flows from operating activities						
Profit before tax		**35**	1,120	**(9,218)**	6,050	**7,475**
Adjustments for:						
Depreciation and amortisation		**2,690**	3,403	**8,479**	8,692	**11,942**
Impairment on intangible assets		**(61)**	-	**10,417**	-	**-**
Loss allowance		**38**	43	**66**	293	**89**
Bad debts written-off		**106**	34	**148**	39	**75**
Net finance cost		**340**	1,087	**1,974**	2,860	**4,188**
Equity-settled share-based payment transactions		**66**	60	**210**	170	**239**
Revaluation of financial liabilities at fair value through profit or loss	7	**-**	-	**-**	(405)	**(405)**
Loss on disposal of property, plant and equipment		**1**	1	**2**	2	**3**
Net exchange differences		**98**	(91)	**54**	(33)	**(7)**
		3,313	**5,657**	**12,132**	**17,668**	**23,599**
Net income taxes paid		**(222)**	(354)	**(309)**	(413)	**(591)**
Changes in:						
Trade and other receivables		**2,783**	(3,187)	**5,176**	(4,637)	**(4,246)**
Trade and other payables		**(1,776)**	1,529	**(2,620)**	2,638	**2,260**
Net cash generated from operating activities		**4,098**	**3,645**	**14,379**	**15,256**	**21,022**
Cash flows from investing activities						
Acquisition of property, plant and equipment		**(105)**	(13)	**(286)**	(42)	**(43)**
Acquisition of intangible assets		**(834)**	-	**(13,739)**	(4,426)	**(4,866)**
Payment of software development costs		**(103)**	(136)	**(460)**	(454)	**(656)**
Proceeds from sale of property, plant and equipment		**1**	1	**8**	5	**6**
Proceeds from sale of intangible assets		**231**	-	**231**	-	**-**
Net cash used in investing activities		**(810)**	**(148)**	**(14,246)**	**(4,917)**	**(5,559)**
Cash flows from financing activities						
Proceeds from issue of shares		**-**	-	**-**	-	**365**
Repayments of borrowings		**(7,500)**	-	**(7,500)**	-	**(5,000)**
Dividends paid to shareholders		**-**	-	**-**	(1,989)	**(3,978)**
Lease payments	4	**(60)**	(34)	**(126)**	(101)	**(135)**
Interest paid		**-**	(304)	**(450)**	(925)	**(1,252)**
Net cash used in financing activities		**(7,560)**	**(338)**	**(8,076)**	**(3,015)**	**(10,000)**
Net movements in cash and cash equivalents		**(4,272)**	3,159	**(7,943)**	7,324	**5,463**
Cash and cash equivalents at the beginning of the period/year		**9,828**	12,192	**13,459**	8,061	**8,061**
Effects of exchange rate changes on cash and cash equivalents		**(36)**	10	**4**	(24)	**(65)**
Cash and cash equivalents at the end of the period/year		**5,520**	**15,361**	**5,520**	**15,361**	**13,459**

The notes on pages 16 to 21 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 REPORTING ENTITY

Raketech Group Holding P.L.C is a public limited company incorporated in Malta, having company registration number C77421. The condensed consolidated interim financial statements include the financial statements of Raketech Group Holding P.L.C 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 P.L.C.

2 ACCOUNTING POLICIES AND BASIS OF PREPARATION

Raketech prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim 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 interim financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2023.

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 2023 Annual Report is available on Raketech' s website.

2.1 New and amended standards adopted by the Group and changes in IFRS

The new and amended standards issued by IASB effective from 2024, were not deemed to have a 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.

During the second quarter of 2024, an impairment test indicated that the recoverable amount for the US assets was lower than the carrying amount. An impairment loss of EUR 10.5 million (nil) was recognised in the condensed consolidated interim income statement. The Group will continue to monitor these assets and carry out regular impairment testing. Refer to note 5 for additional details.

As at 30 September 2024, the concentration of Casumba assets in unregulated markets amounting to 21% and the US assets amounting to 15% of the Group's total intangible assets, give rise to vulnerability to adverse developments that may occur in relation to these markets.

Further, IFRS 9 also requires impairment considerations to be performed for trade receivables on an ongoing basis. Judgement in relation to this assessment is subjective. Continued assessments are being made by management on the adequacy of the loss allowance provision relating to 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 2023, note 3.

2.3 Critical accounting estimates – amounts committed on acquisition

Amounts committed on acquisition consist of contractual obligations resulting from the purchase 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. As at 30 September 2024, amounts committed on acquisition included contingent consideration amounted to nil (EUR 46.3 million) and EUR 31.4 million (nil) as fixed consideration. The fair value is calculated on the expected cash outflow for each purchase agreement. Estimates of future cash flow relating to these contingent considerations are inherently uncertain and are made by management for each asset acquisition based on their knowledge of the industry historical performance and taking into account the economic environment at the time. Refer to changes during the year (note 7).

2.4 Critical accounting estimates – taxation

As the Group operates in different jurisdictions, tax compliance becomes more complex, and applicable tax regulations may be interpreted differently by the respective authorities. Management reviews its intra-group charging mechanisms on a regular basis, and the need for updated transfer pricing assessments is considered as the Group's cross-border activity continues to evolve. The deferred tax assets include an amount of EUR 0.4 million (EUR 0.6 million) which relates to carried-forward tax losses of the US subsidiaries. These subsidiaries have incurred the losses over the last three financial years. The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries. The subsidiaries are expected to generate taxable income from 2025 onwards and will be utilised by 2026. The losses can be carried forward indefinitely and have no expiry date.

2.5 Working capital deficiency

During the quarter, Raketech has operated with a positive operating cash inflow. As at 30 September 2024, the Group is in a net current liability position of EUR 5.8 million (EUR 7.2 million). During 2024, the Group continued to honour all of its existing obligations (including the settlement of earn-outs) and no amounts were deferred beyond the payment terms. Raketech has the option to defer a portion of the Casumba earnout until September 2026 and to partially settle this amount with shares in Raketech Group Holding P.L.C. Further, the Group expects to remedy this position by way of its projected quarterly positive cash generation, in combination with existing financing options. The Group has complied with the financial covenants of its Avida credit facility during the reporting period.

During 2024, Raketech signed a EUR 5.0 million revolving credit facility with Bank of Valletta and each drawdown is repayable within 4 years. Refer to note 6 for further information.

3 REVENUES

The Group targets end-users and generates revenue by driving traffic through various channels to generate customer leads for its business partners. 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 2024 and 2023 is further analysed as follows:

EUR thousands	***Jul-Sep 2024***	***Jul-Sep 2023***	***Change***	***Jan-Sep 2024***	***Jan-Sep 2023***	***Change***	***Jan-Dec 2023***
Revenue	**12,914**	**21,504**	(39.9%)	**48,835**	**54,897**	(11.0%)	77,688
Commissions	**9,727**	18,343	(47.0%)	**38,280**	44,263	(13.5%)	62,797
Flat fees	**2,600**	2,227	16.7%	**7,599**	7,273	4.5%	9,844
Betting tips and subscription income	**587**	934	(37.2%)	**2,956**	3,361	(12.0%)	5,047

4 LEASING

During the third quarter of 2024, the Group entered into a new office lease agreement for the Malta based operations. Raketech has applied IFRS 16, Leasing, using the simplified approach. Accordingly, on 1 July a lease liability and a right-of-use asset were recognised.

The liability is initially measured at present value of the remaining lease payments discounted using the Group's incremental borrowing rate. The applied rate of 6.65%, is the rate at which similar borrowing could be obtained from an independent financer under comparable terms and conditions.

From 1 July 2024, the payments related to leasing have been allocated between the lease liability in the statement of financial position and finance cost in the statement of comprehensive income. The finance cost is allocated to each period during the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The lease for the US operations was terminated during the third quarter of 2024 and the lease liability and right-of-use assets were written off.

EUR thousands	*Jul-Sep 2024*	*Jul-Sep 2023*	*Jan-Sep 2024*	*Jan-Sep 2023*	*Jan-Dec 2023*
Leasing liability					
Opening balance	**47**	172	**108**	237	237
New lease liability	**546**	-	**546**	-	-
Lease liability write-off	**(33)**	-	**(33)**	-	-
Notional interest charge	**4**	2	**6**	8	10
Payments[1]	**(60)**	(34)	**(126)**	(101)	(135)
Changes in the value of the lease liability due to changes in foreign exchange rates	**-**	5	**3**	1	(4)
Leasing liability as at the end of the period/year[2]	**504**	145	**504**	145	108

[1] *Payments relate to rental costs replaced by notional interest and amortisation.*

[2] *Of the total leasing liability of EUR 504 thousand, EUR 338 thousand is long term and EUR 166 thousand is short term lease liabilities.*

EUR thousands	*Jul-Sep 2024*	*Jul-Sep 2023*	*Jan-Sep 2024*	*Jan-Sep 2023*	*Jan-Dec 2023*
Right-of-use asset					
Opening balance	**43**	172	**102**	229	229
New right-of-use asset	**546**	-	**546**	-	-
Right-of-use asset write-off	**(33)**	-	**(33)**	-	-
Amortisation charge	**(55)**	(30)	**(116)**	(91)	(121)
Changes in the value of the right-of-use asset due to changes in foreign exchange rates	**(1)**	(5)	**1**	(1)	(6)
Right-of-use asset as at the end of the period/year	**500**	137	**500**	137	102

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 there is interdependence of cash inflows and that the Group monitors and manages its operations as one business unit. For further detail, please refer to the Annual Report note 14.

EUR thousands	Websites and domains	Player databases	Other intellectual property	Technical platform	Software	Goodwill	Total
Cost at 1 January 2024	118,688	18,610	36,059	2,617	562	1,550	178,086
Adjustments arising as a result of a change in estimates - note 7)	(269)	(192)	(458)	-	-	-	(919)
Capitalised expenditure	-	-	-	460	-	-	460
Disposal	(2,087)	(183)	-	-	-	-	(2,270)
Exchange differences	43	(8)	-	-	-	7	42
Cost as at 30 September 2024	**116,375**	**18,227**	**35,601**	**3,077**	**562**	**1,557**	**175,399**
Accumulated amortisation and impairment 1 January 2024	(40)	(12,504)	(22,991)	(1,145)	(562)	(344)	(37,586)
Reversal of accumulated amortisation upon disposal of assets	-	161	-	-	-	-	161
Amortisation charge	-	(2,684)	(5,175)	(436)	-	-	(8,295)
Impairment charge	(9,551)	-	-	-	-	(927)	(10,478)
Exchange differences	-	13	-	-	-	-	13
Amortisation and impairment as at 30 September 2024	**(9,591)**	**(15,014)**	**(28,166)**	**(1,581)**	**(562)**	**(1,271)**	**(56,185)**
Carrying amount as at 30 September 2024	**106,784**	**3,213**	**7,435**	**1,496**	**-**	**286**	**119,214**
Carrying amount as at 30 September 2023	119,373	7,224	15,274	1,398	-	1,215	144,484

As already disclosed in note 2, following the disposal of certain US assets and lower performance than expected, an impairment test held during the second quarter of 2024 indicated that the recoverable amount for these assets was lower than its value in use. An impairment loss of EUR 9.6 million for websites and domains and EUR 0.9 million for goodwill was recognised in the condensed consolidated interim income statement. The assessment included 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.

Following the impairment review, the directors are satisfied that the judgements made are appropriate to the circumstances relevant to these assets and that the recoverable amount of the remaining intangible assets exceeds the carrying amount.

On 5th July 2024, the Group announced that an agreement to divest its non-core US advisory business was reached. The total sale amounted to USD 2.25 million, partially settled upon signing of agreement with the remaining amount to be settled through an ongoing revenue share agreement.

The Group's conclusion is that the recoverable amount of the single cash generating unit is highly sensitive to changes in key assumptions. The principal assumptions used in the impairment assessment relate to projected revenue growth, pre-tax discount rate and terminal growth rate. If the EBITDA CAGR over the next five years had to fall to below 2.28%, impairment would most likely arise. This analysis does not incorporate any other potential changes in other assumptions used in the impairment assessment.

As at 30 September 2024, the concentration of Casumba assets in unregulated markets amounting to 21% and the US assets amounting to 15% of the Group's total intangible assets, give rise to vulnerability to adverse developments that may occur in relation to these markets. Specifically for the US assets, which have not performed according to expectations, there is a risk of further impairment should the assets continue to not perform in line with Management expectations.

6 BORROWINGS

In July 2021, Raketech entered into an agreement with Avida Finans AB for a one-year revolving credit facility of EUR 15.0 million. During September 2023, discussions with Avida Finans AB were concluded and the Group's revolving credit facility of EUR 15.0 million was extended up until December 2024. The facility was reduced to EUR 2.5 million by the end of the quarter and will be fully settled by December 2024.

As of 30 September 2024, the utilised credit amounts to EUR 2.5 million (EUR 15.0 million). The contractual terms of the revolving credit facility with Avida Finans AB required Raketech Holding P.L.C to pledge its entire shareholding in Raketech Group Limited to the lender as collateral.

As of 4 June 2024, Raketech signed a EUR 5.0 million revolving credit facility with Bank of Valletta and each drawdown is repayable in 4 years. Interest rate is 4.5% over the variable internal bank rate, when drawn.

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. As at 30 September 2024, amounts committed on acquisition included contingent consideration amounted to nil (EUR 46.3 million) and EUR 31.4 million (nil) as fixed consideration.

EUR thousands	***Jul-Sep 2024***	***Jul-Sep 2023***	***Jan-Sep 2024***	***Jan-Sep 2023***	***Jan-Dec 2023***
Opening balance	**33,847**	41,158	**46,461**	28,981	28,981
Settlements/setoffs	**(2,500)**	-	**(15,405)**	(4,426)	(4,866)
Notional interest charge	**662**	706	**1,233**	1,808	2,734
Adjustments arising as a result of a change in fair value	**(639)**	4,441	**(919)**	19,942	19,612
Closing balance	**31,370**	46,305	**31,370**	46,305	46,461

The earn-out condition related to Infinileads S.L. of EUR 0.4 million was fully settled in October 2023.

The earn-out related to A.T.S. Consultants Inc's assets, which is denominated in USD, is capped up to a maximum of USD 15.0 million up until 31 December 2024. Management's best estimate of the total contingent consideration for these assets, amounted to nil (nil) net of payments amounting to nil (EUR 0.7 million) as of 30 September 2024.

The contingent earn-out condition relating to Casumba was based on performance up until 31 July 2024. As at 30 September 2024, the contingent consideration amounted to nil (EUR 45.9 million). The fixed consideration as at 30 September 2024, amounted to EUR 31.4 million (nil), net of payments amounting to EUR 13.7 million (EUR 2.8 million) in cash and EUR 1.7 million (nil) in Raketech Group Holding P.L.C. shares. EUR 10.5 million of the consideration is payable in instalments during 2024 and 2025. Raketech has the option to settle any remaining amounts up until 16 September 2026 at an interest cost. Management's best estimate of the interest expense amounted to EUR 1.6 million as at 30 September 2024. Raketech also has the option to partially settle the amount with shares in Raketech Group Holding P.L.C, estimated at 10,261,833 shares as at 30 September 2024.

The decrease in the A.T.S. Consultants earn-out in 2023 amounting to EUR 0.4 million was recognised in the condensed consolidated interim statement of comprehensive income as 'Revaluation of financial liabilities at fair value through profit or loss'. The remaining adjustments to contingent consideration have been recognised in the condensed consolidated interim statement of financial position according to management's best estimate. The adjustments arising as a result of a change in fair value in 2024, according to the table above, relate to Casumba.

The adjustment to reflect the total impact of discounting in the condensed consolidated interim statement of financial position, amounted to EUR 1.2 million (EUR 1.8 million) by the end of the quarter. Of the amounts recognised in the condensed consolidated interim statement of financial position at 30 September 2024, EUR 12.0 million (EUR 15.6 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 mainly settled through expected cash generation, in combination with existing financing options.

8 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	***Jul-Sep 2024***	***Jul-Sep 2023***	***Jan-Sep 2024***	***Jan-Sep 2023***	***Jan-Dec 2023***
Revenue	**234**	26	**341**	133	178
Expenses					
Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors	**910**	348	**2,580**	1,106	1,973
Equity-settled share-based payments	**66**	60	**210**	170	239
Amounts owed to related parties (including accruals)	**95**	59	**95**	59	12
Amounts owed by related parties	**77**	67	**77**	67	40

In April 2023 Raketech terminated its agreement with Together Gaming Solutions P.L.C and stopped operating its online casino product Rapidi.com. The termination has no material financial impact for the Group.

Condensed Interim Statement of Comprehensive Income – Parent Company

EUR thousands	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Dividend income	**-**	-	**-**	-	6,650
Other income	**(138)**	128	**612**	395	551
Total revenue	**(138)**	128	**612**	395	7,201
Employee benefit expense	**(139)**	(298)	**(600)**	(611)	(909)
Other operating expenses	**(178)**	(74)	**(596)**	(553)	(818)
Total operating expenses	**(317)**	(372)	**(1,196)**	(1,164)	(1,727)
Operating (loss)/income	**(455)**	(244)	**(584)**	(769)	5,474
Finance income	**161**	161	**479**	477	638
Finance costs	**(178)**	(380)	**(737)**	(1,047)	(1,447)
(Loss)/profit before tax	**(472)**	(463)	**(842)**	(1,339)	4,665
Tax credit	**22**	38	**24**	110	99
(Loss)/profit for the period/year - total comprehensive income	**(450)**	(425)	**(818)**	(1,229)	4,764

Condensed Interim Statement of Financial Position – Parent Company

EUR thousands	Sep 2024	Sep 2023	Dec 2023
Assets			
Non - current assets			
Investment in subsidiaries	**12,363**	12,363	12,363
Trade and other receivables	**33,989**	38,738	35,774
Loan receivable from a subsidiary	**15,000**	15,000	15,000
Deferred tax asset	**229**	213	203
Total non-current assets	**61,581**	66,314	63,340
Current assets			
Trade and other receivables	**160**	1,994	4,529
Cash and cash equivalents	**60**	62	64
Total current assets	**220**	2,056	4,593
TOTAL ASSETS	**61,801**	**68,370**	**67,933**
Equity & Liabilities			
Equity			
Share capital	**89**	85	86
Share premium	**52,831**	50,803	51,168
Other reserves	**431**	457	222
Retained earnings/(accumulated losses)	**4,984**	(192)	5,802
TOTAL EQUITY	**58,335**	51,153	57,278
Liabilities			
Non-current liabilities			
Borrowings	**-**	4,983	-
Total non-current liabilities	**-**	4,983	-
Current liabilities			
Borrowings	**2,474**	9,884	9,834
Trade and other payables	**211**	361	590
Dividends payable	**-**	1,989	-
Current tax liabilities	**781**	-	231
Total current liabilities	**3,466**	12,234	10,655
TOTAL LIABILITIES	**3,466**	**17,217**	**10,655**
TOTAL EQUITY AND LIABILITIES	**61,801**	**68,370**	**67,933**

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, 14 November 2024

JOHAN SVENSSON
CEO

ULRIK BENGTSSON
Chairman of the Board

ERIK SKARP
Board member

CLARE BOYNTON
Board member

MARINA ANDERSSON
Board member

PATRICK JONKER
Board member

JONATHAN MOSS
Board member

Presentation for investors, analysts and the media

CEO Johan Svensson and CFO Måns Svalborn will present the report and answer questions at 09.00 a.m. CET on 14 November 2024. The presentation will be held in English.

In order to participate via webcast please use the link below. Via the webcast you are able to ask written questions.
https://ir.financialhearings.com/raketech-q3-report-2024

In order to participate via teleconference please register via the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.
https://conference.financialhearings.com/teleconference/?id=50049787

This information is such that Raketech Group Holding P.L.C 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. CEST on 14 November 2024.

Definitions of Alternative Performance Metrics

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

ADJUSTED EBITDA	EBITDA adjusted for non-recurring costs
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of total revenue for the period/year
ADJUSTED OPERATING MARGIN	Operating margin adjusted for non-recurring costs
ADJUSTED OPERATING PROFIT	Operating profit adjusted for non-recurring costs
EBITDA	Operating profit before depreciation, amortisation and impairment
EBITDA MARGIN	EBITDA as a percentage of revenue for the period/year
FREE CASH FLOW	Net movements in cash and cash equivalents excluding proceeds from issue of shares and intangible assets, dividend payments, new acquisitions and proceeds and repayments for borrowings.
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 excluding portfolios and products that have been acquired in the past 12 months. Organic growth includes the growth in existing portfolios and products.
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