

RAKETECH

Q3| Interim Report

2023

A STRONG QUARTER IN LINE WITH PREVIOUSLY INCREASED TRADING UPDATE

| EUR thousands | Jul-Sep 2023 | Jul-Sep 2022 | Change | Jan-Sep 2023 | Jan-Sep 2022 | Change |
|---------------------------|-----------------|-----------------|---------|-----------------|-----------------|--------|
| Revenue | 21,504 | 12,973 | 65.8% | 54,897 | 36,956 | 48.5% |
| Adjusted EBITDA | 5,610 | 4,816 | 16.5% | 17,602 | 13,844 | 27.1% |
| Adjusted Operating profit | 2,325 | 2,930 | (20.6%) | 8,910 | 8,256 | 7.9% |

Q3 2023 FINANCIAL HIGHLIGHTS

- Q3 of 2023 reached an all-time high in terms of revenues, totaling EUR 21.5 million (EUR 13.0 million) with an organic growth of 65.8% (14.2%).
- Adjusted EBITDA grew by 16.5% Y/Y to EUR 5.6 million, driven by strong development in Casumba, part of our Flagship strategy, and significant growth within sub-affiliation.
- With three solid quarters behind us, we expect to comfortably close 2023 in line with our previously increased guidance of EBITDA at EUR 23-25 million as well as net cash flow in the interval of EUR 13-15 million, while beating guidance with regards to revenue of EUR 65-70 million.
- Adjusted Operating profit amounted to EUR 2.3 million (EUR 2.9 million), impacted by increased non-cash affecting amortisation following adjustments attributable to amounts committed on acquisitions relating to Casumba.
- The calculation period for the largest share of the contingent consideration relating to the acquisition of Casumba is coming to an end in December this year, which means that we can, with a high degree of certainty, determine the majority of the earnout.

SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

- Revenues in October 2023 amounted to EUR 7.7 million (EUR 5.0 million).

CEO Comment

Raketech delivered Q3 numbers in line with previous increased guidance, with total revenues of EUR 21.5 million corresponding to an organic growth of 66% Y/Y. The strong demand for our infrastructure solutions in Sub-Affiliation continued, both in the Nordics and RoW, and was complemented by stable growth at higher margins in our core segment Affiliation Marketing, together contributing to a solid EBITDA of EUR 5.6 million.

With three solid quarters behind us, we expect to comfortably close 2023 in line with our previously increased guidance with regards to EBITDA at EUR 23-25 million as well as free cash flow in the interval of EUR 13-15 million, while beating the EUR 65-70 million revenue guidance.

Within our high-margin business area, Affiliation Marketing, we remain committed to our Flagship strategy; focusing on fewer and better-established brands. During Q3 this area delivered revenues worth EUR 9.5 million compared to EUR 8.6 million in the same quarter last year. We are particularly pleased with the development in Casumba, an important part of our flagship strategy.

The market dynamics in the Nordic market, in which we also have several flagships, were during Q3 slightly slower than expected. We however continued to invest and during the quarter we initiated our first-ever radio advertising campaign for Casinofeber.se on the Swedish market. Initial results look promising with a more than 50% increase in direct traffic, and in the long term, we hope the branding effect will also spill over to organic rankings.

However, the most significant success during Q3 has been within paid Sub-affiliation (Network), where we use our extensive commercial network and strong relationships, to help operators and paid affiliates grow. Included in this area is also our SaaS platform, AffiliationCloud which helps affiliates grow their businesses and streamlines and facilitates business value for iGaming operators. This product also continued to deliver growth in Q3 with a significant uptick of newly onboarded clients and twice as many NDCs (New Depositing Customers) compared to Q2 which was slower. As a direct effect of an increased demand for AffiliationCloud from multiple markets, we will intensify our efforts to expand it geographically.

Total revenues from Sub-affiliation amounted to EUR 11.1 million, which equals an annual growth of 264%. Sub-affiliation is by nature lower in margin, which during Q3 had a somewhat dampening effect on the group EBITDA

margin percentage, while making a significant positive EBITDA contribution in absolute terms.

Despite Q3 revenues picking up at the end of the quarter, the US market started slower than expected and we saw negative growth year over year, primarily originating in underperformance from our Advisory Business Area. The US organization is now prioritizing efficiency and execution on the outlined business plan. During Q3 we launched several technical initiatives such as an AI-driven Pick Prediction product and integrated a sophisticated CRM system while also adding key hires within SEO and Product Management.

The calculation period for the largest share of the contingent consideration relating to the acquisition of Casumba is coming to an end in December this year, which means that we can, with a high degree of certainty, determine the majority of the earnout. The amount can be paid out in tranches over the course of three years, with the possibility of partially settling with equity, should we find it in the best interest of our shareholders. Considering our current cash flow and our previously announced extension of the revolving credit facility with Avida Finance, we feel comfortable with the total amount and the payment terms.

Potentially even more comforting is however that we have agreed with the talented founders to continue to stay on board and oversee the portfolio while also working with corporate business development and new growth projects for Raketech globally. With that said, I wish to take this opportunity to thank the Casumba founders and their team, and I look forward to our future achievements together.

OUTLOOK

October revenues amounted to EUR 7.7 million (EUR 5.0 million), mainly driven by continued strong growth in Casumba and Sub-affiliation. Based on the strong development over the year, we remain confident about our previously increased full-year guidance for 2023.

We are operating in one of the most competitive and fast-moving global marketing environments, and I am proud of our committed teams spread across various locations. Working tirelessly for Raketech, our clients, partners, and shareholders, we have achieved another strong quarter that aligns with market expectations. Thank you to everyone who played a part in this success.

Oskar Mühlbach, Group CEO

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 22 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 | Jul- Sep 2023 | Jul- Sep 2022 | Change | Jan- Sep 2023 | Jan- Sep 2022 | Change | Jan- Dec 2022 |
|--|---------------------|---------------------|-----------------|---------------------|---------------------|-----------------|---------------------|
| Financial Data | | | | | | | |
| Revenue (IFRS) | 21,504 | 12,973 | 65.8% | 54,897 | 36,956 | 48.5% | 52,644 |
| <i>Organic growth</i> | 65.8% | 14.2% | 51.6 | 48.5% | 5.6% | 42.9 | 10.8% |
| <i>Revenue share</i> | 29.8% | 38.7% | (8.9) | 32.3% | 40.1% | (7.8) | 38.9% |
| <i>Upfront payment</i> | 55.5% | 38.8% | 16.7 | 48.3% | 33.4% | 14.9 | 34.4% |
| <i>Flat fee</i> | 10.4% | 12.5% | (2.1) | 13.3% | 14.5% | (1.2) | 14.8% |
| <i>Betting tips and subscription income</i> | 4.3% | 10.0% | (5.7) | 6.1% | 12.0% | (5.9) | 11.9% |
| Affiliation marketing | 9,462 | 8,631 | 9.6% | 30,542 | 24,865 | 22.8% | 35,204 |
| <i>% of total revenue</i> | 44.0% | 66.5% | (22.5) | 55.6% | 67.3% | (11.6) | 66.9% |
| Sub-affiliation | 11,109 | 3,050 | 264.2% | 20,994 | 7,662 | 174.0% | 11,154 |
| <i>% of total revenue</i> | 51.7% | 23.5% | 28.2 | 38.3% | 20.7% | 17.6 | 21.2% |
| Betting tips and subscription income | 933 | 1,292 | (27.8%) | 3,361 | 4,429 | (24.1%) | 6,286 |
| <i>% of total revenue</i> | 4.3% | 10.0% | (5.6) | 6.1% | 12.0% | (5.9) | 11.9% |
| Casino | 18,379 | 9,708 | 89.3% | 44,645 | 25,785 | 73.1% | 37,282 |
| <i>% of total revenue</i> | 85.5% | 74.8% | 10.6 | 81.3% | 69.8% | 11.6 | 70.8% |
| Sport | 3,125 | 3,219 | (2.9%) | 10,252 | 11,060 | (7.3%) | 15,250 |
| <i>% of total revenue</i> | 14.5% | 24.8% | (10.3) | 18.7% | 29.9% | (11.3) | 29.0% |
| Other | - | 46 | (100.0%) | - | 111 | (100.0%) | 112 |
| <i>% of total revenue</i> | 0.0% | 0.4% | (0.4) | 0.0% | 0.3% | (0.3) | 0.2% |
| Revenue from the Nordics | 10,020 | 6,309 | 58.8% | 22,986 | 16,954 | 35.6% | 23,432 |
| <i>% of total revenue</i> | 46.6% | 48.6% | (2.0) | 41.9% | 45.9% | (4.0) | 44.5% |
| Revenue from Rest of Europe | 1,114 | 642 | 73.6% | 2,436 | 1,993 | 22.2% | 2,637 |
| <i>% of total revenue</i> | 5.2% | 5.0% | 0.1 | 4.4% | 5.4% | (1.0) | 5.0% |
| Revenue from US | 1,114 | 1,494 | (25.4%) | 4,284 | 5,291 | (19.0%) | 7,733 |
| <i>% of total revenue</i> | 5.2% | 11.5% | (6.3) | 7.8% | 14.3% | (6.5) | 14.7% |
| Revenue from Rest of World | 9,256 | 4,528 | 104.4% | 25,191 | 12,718 | 98.1% | 18,842 |
| <i>% of total revenue</i> | 43.0% | 34.9% | 8.2 | 45.9% | 34.4% | 11.5 | 35.8% |
| EBITDA | 5,610 | 4,816 | 16.5% | 17,602 | 13,680 | 28.7% | 20,065 |
| <i>EBITDA margin</i> | 26.1% | 37.1% | (11.0) | 32.1% | 37.0% | (5.0) | 38.1% |
| Adjusted EBITDA¹ | 5,610 | 4,816 | 16.5% | 17,602 | 13,844 | 27.1% | 20,229 |
| <i>Adjusted EBITDA margin¹</i> | 26.1% | 37.1% | (11.0) | 32.1% | 37.5% | (5.4) | 38.4% |
| Operating profit | 2,207 | 2,930 | (24.7%) | 8,910 | 8,092 | 10.1% | 12,412 |
| <i>Operating margin</i> | 10.3% | 22.6% | (12.3) | 16.2% | 21.9% | (5.7) | 23.6% |
| Adjusted Operating profit^{1,3} | 2,325 | 2,930 | (20.6%) | 8,910 | 8,256 | 7.9% | 12,577 |
| <i>Adjusted Operating margin¹</i> | 10.8% | 22.6% | (11.8) | 16.2% | 22.3% | (6.1) | 23.9% |
| Profit for the period/year | 844 | 2,166 | (61.0%) | 5,435 | 5,663 | (4.0%) | 8,334 |
| <i>Profit margin</i> | 3.9% | 16.7% | (12.8) | 9.9% | 15.3% | (5.4) | 15.8% |
| Adjusted profit for the period/year^{2,3} | 997 | 2,166 | (54.0%) | 5,435 | 5,827 | (6.7%) | 8,893 |
| <i>Adjusted profit margin²</i> | 4.6% | 16.7% | (12.1) | 9.9% | 15.8% | (5.9) | 16.9% |

¹ In Q2 2022, redundancy costs of EUR 0.2 million incurred due to the organisational restructuring, were recognised as non-recurring costs.

² Changes to deferred taxation were reflected in 2022 in relation to prior years' temporary differences amounting to EUR 0.4 million.

³ In Q3 2023, the Casumba earn-out revision to reflect interest expense amounted to EUR 0.1 million in amortisation & EUR 0.2 million in finance costs.

| EUR thousands | Jul-Sep 2023 | Jul-Sep 2022 | Change | Jan-Sep 2023 | Jan-Sep 2022 | Change | Jan-Dec 2022 |
|--|-----------------|-----------------|----------|-----------------|-----------------|----------|-----------------|
| Other Performance Measures | | | | | | | |
| New depositing customers (NDC) | 75,552 | 39,552 | 91.0% | 188,303 | 108,851 | 73.0% | 161,146 |
| Full time employees | 129 | 105 | 22.9% | 129 | 105 | 22.9% | 104 |
| Contractors | 95 | 92 | 3.3% | 95 | 92 | 3.3% | 99 |
| Free cash flow | 3,159 | 2,731 | 15.7% | 9,313 | 2,700 | 244.9% | 4,853 |
| Net interest-bearing debt | (494) | 8,661 | (105.7%) | (494) | 8,661 | (105.7%) | 6,732 |
| Net debt-to-adjusted EBITDA LTM | (0.02) | 0.45 | (104.6%) | (0.02) | 0.45 | (104.6%) | 0.33 |
| Earnings per share before dilution (EUR) (IFRS) | 0.02 | 0.05 | (61.1%) | 0.13 | 0.14 | (5.7%) | 0.20 |
| Earnings per share after dilution (EUR) (IFRS) ² | 0.02 | 0.05 | (65.6%) | 0.11 | 0.13 | (15.0%) | 0.19 |
| Adjusted earnings per share before dilution (EUR) (IFRS) ^{1,3} | 0.02 | 0.05 | (54.1%) | 0.13 | 0.14 | (8.4%) | 0.21 |
| Adjusted earnings per share after dilution (EUR) (IFRS) ^{1,2,3} | 0.02 | 0.05 | (59.5%) | 0.11 | 0.13 | (17.4%) | 0.20 |
| Weighted average number of shares, before dilution | 42,319,110 | 42,118,858 | 0.5% | 42,319,110 | 41,573,036 | 1.8% | 41,761,087 |
| Weighted average number of shares, after dilution ² | 51,268,675 | 45,173,379 | 13.5% | 49,655,003 | 43,967,234 | 12.9% | 44,818,983 |

¹Changes to deferred taxation were reflected in 2022 in relation to prior years' temporary differences amounting to EUR 0.4 million

²The 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.

³In Q3 2023, the Casumba earn-out revision to reflect interest expense amounted to EUR 0.1 million in amortisation & EUR 0.2 million in finance costs.

Financial Performance during the Third Quarter of 2023

REVENUES

Revenues totalled EUR 21.5 million (EUR 13.0 million) representing an increase of 65.8%. Organic growth amounted to 65.8% (14.2%) and NDCs increased by 91.0%. The increase in revenues and NDCs is an effect of strong performance within sub-affiliation and affiliation marketing.

EXPENSES

Direct expenses increased to EUR 10.5 million (EUR 3.9 million) largely driven by increased activity for sub-affiliation.

Employee benefit expenses amounted to EUR 2.5 million (EUR 2.1 million) as full-time employees totalled 129 (105) at the end of the period.

Other expenses increased to EUR 2.8 million (EUR 2.1 million), representing primarily increased costs through product investments and consultancy fees. Contractors totalled 95 (92) at the end of the period.

Depreciation and amortisation amounted to EUR 3.4 million (EUR 1.9 million). The increase in amortisation was primarily attributable to the upward adjustments to amounts committed on acquisitions relating to Casumba.

PROFITABILITY

Reported EBITDA increased to EUR 5.6 million (EUR 4.8 million), with organic growth within the high margin portfolio of affiliation marketing assets as well as growth within sub-affiliation.

The EBITDA margin amounted to 26.1% (37.1%) reflecting the current product mix of low versus high margin business areas and with increased investments into the US and AffiliationCloud.

The profit for the period amounted to EUR 0.8 million, (EUR 2.2 million), impacted by increased non-cash affecting amortisation and finance cost.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities decreased to EUR 3.6 million (EUR 4.3 million), largely due to timing effects of settlement of outstanding trade receivables.

Cash flow from investing activities amounted to EUR -0.1 million (EUR -1.3 million) primarily due to software development costs in AffiliationCloud.

Cash flow from financing activities amounted to EUR -0.3 million (EUR -0.2 million), primarily as a result of the interest paid out during the quarter.

Cash and cash equivalents at the end of the quarter amounted to EUR 15.4 million (EUR 6.1 million).

THE PARENT COMPANY

Raketech Group Holding p.l.c. is the Parent Company. Total operating costs amounted to EUR 0.4 million (EUR 0.3 million). Loss for the period was EUR 0.4 million (EUR 0.4 million).

Financial Performance during the First Nine Months of 2023

REVENUES

Revenues totalled EUR 54.9 million (EUR 37.0 million) representing an increase of 48.5%. Organic growth amounted to 48.5% (5.6%) and NDCs increased by 73.0%. The increase in revenues and NDCs is an effect of strong performance within sub-affiliation and affiliation marketing.

EXPENSES

Direct expenses increased to EUR 21.5 million (EUR 10.3 million) largely driven by increased activity for sub-affiliation.

Employee benefit expenses amounted to EUR 7.4 million (EUR 6.4 million) as full-time employees totalled 129 (105) at the end of the period.

Other expenses increased to EUR 8.5 million (EUR 6.5 million), representing primarily increased operational costs for investments in products and consultancy fees. Contractors totalled 95 (92) at the end of the period.

Depreciation and amortisation amounted to EUR 8.7 million (EUR 5.6 million). The increase in amortisation was primarily attributable to the upward adjustments to amounts committed on acquisitions relating to Casumba.

PROFITABILITY

Reported EBITDA increased to EUR 17.6 million (EUR 13.7 million), with organic growth within the high margin portfolio of affiliation marketing assets as well as growth within sub-affiliation.

The EBITDA margin amounted to 32.1% (37.0%) reflecting the current product mix of low versus high margin business areas and with increased investments into the US and AffiliationCloud.

The profit for the period amounted to EUR 5.4 million, (EUR 5.7 million).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities increased to EUR 15.3 million (EUR 13.4 million), driven by growth.

Cash flow from investing activities amounted to EUR -4.9 million (EUR -10.1 million) primarily due to earn-out settlements made during the period.

Cash flow from financing activities amounted to EUR -3.0 million (EUR -0.6 million), primarily as a result of the dividends paid out during the second quarter.

Cash and cash equivalents at the end of the period amounted to EUR 15.4 million (EUR 6.1 million).

THE PARENT COMPANY

Raketech Group Holding p.l.c. is the Parent Company. Total operating costs amounted to EUR 1.2 million (EUR 0.6 million). Loss for the period was EUR 1.2 million (EUR 1.3 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 as a software (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 42,319,110. 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. 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 iGaming operator, the legislation concerning online gambling could 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 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 consider 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 auditor's 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.

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

Upcoming Dates

21 FEBRUARY
8 MAY

YEAR END REPORT 2023
INTERIM REPORT JAN-MAR 2024

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 2023 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended and the explanatory notes. The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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'.

Romina Soler Principal

For and on behalf of

PricewaterhouseCoopers 78,
Mill Street
Zone 5, Central Business District Qormi
Malta

15 November 2023

Condensed Consolidated Interim Income Statement

| EUR thousands | Note | Jul- Sep 2023 | Jul- Sep 2022 | Jan- Sep 2023 | Jan- Sep 2022 | Jan- Dec 2022 |
|---|------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total revenue | 3 | 21,504 | 12,973 | 54,897 | 36,956 | 52,644 |
| Direct costs relating to fixed fees and commission revenue | | (10,547) | (3,939) | (21,503) | (10,324) | (14,705) |
| Employee benefit expense | | (2,453) | (2,080) | (7,370) | (6,420) | (8,702) |
| Depreciation and amortisation | | (3,403) | (1,886) | (8,692) | (5,588) | (7,653) |
| Movement in loss allowance on trade receivables | | (43) | - | (293) | - | 106 |
| Bad debts written-off | | (34) | (22) | (39) | (23) | (214) |
| Other operating expenses | | (2,817) | (2,116) | (8,495) | (6,497) | (9,120) |
| Total operating expenses | | (19,297) | (10,043) | (46,392) | (28,852) | (40,288) |
| Revaluation of financial liabilities at fair value through profit or loss | | - | - | 405 | (12) | 56 |
| Operating profit | | 2,207 | 2,930 | 8,910 | 8,092 | 12,412 |
| Loan finance costs | | (380) | (253) | (1,047) | (760) | (1,042) |
| Other finance costs | | (707) | (164) | (1,813) | (947) | (1,358) |
| Profit before tax | | 1,120 | 2,513 | 6,050 | 6,385 | 10,012 |
| Current tax expense | | (241) | (119) | (480) | (359) | (487) |
| Deferred tax expense | | (35) | (228) | (135) | (363) | (1,191) |
| Profit for the period/year | | 844 | 2,166 | 5,435 | 5,663 | 8,334 |
| Earnings per share attributable to the equity holders of the Parent during the period/year | | | | | | |
| Earnings per share before dilution (in EUR) | | 0.02 | 0.05 | 0.13 | 0.14 | 0.20 |
| Earnings per share after dilution (in EUR) | | 0.02 | 0.05 | 0.11 | 0.13 | 0.19 |
| Adjusted earnings per share before dilution (in EUR)^{1,2} | | 0.02 | 0.05 | 0.13 | 0.14 | 0.21 |
| Adjusted earnings per share after dilution (in EUR)^{1,2} | | 0.02 | 0.05 | 0.11 | 0.13 | 0.20 |

Condensed Consolidated Interim Statement of Comprehensive Income

| EUR thousands | Jul- Sep 2023 | Jul- Sep 2022 | Jan- Sep 2023 | Jan- Sep 2022 | Jan- Dec 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Other comprehensive income | | | | | |
| Currency translation adjustments taken to equity | 325 | 933 | 75 | 2,159 | 866 |
| Total other comprehensive income for the period/year | 325 | 933 | 75 | 2,159 | 866 |
| Total comprehensive income for the period/year | 1,169 | 3,099 | 5,510 | 7,822 | 9,200 |

¹Changes to deferred taxation were reflected in 2022 in relation to prior years' temporary differences amounting to EUR 0.4 million.

²In Q3 2023, the Casumba earnout revision to reflect interest expense amounted to EUR 0.1 million in amortisation & EUR 0.2 million in finance costs.

The notes on pages 13 to 18 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

| EUR thousands | Notes | Sep 2023 | Sep 2022 | Dec 2022 |
|--------------------------------------|-------|----------------|-------------|-------------|
| Assets | | | | |
| Non-current assets | | | | |
| Goodwill | 5 | 1,215 | 1,234 | 1,214 |
| Intangible assets | 5 | 143,269 | 129,372 | 130,907 |
| Right-of-use assets | | 137 | 284 | 229 |
| Property, plant and equipment | | 124 | 142 | 144 |
| Total non-current assets | | 144,745 | 131,032 | 132,494 |
| Current assets | | | | |
| Trade and other receivables | | 12,063 | 6,857 | 7,768 |
| Cash and cash equivalents | | 15,361 | 6,056 | 8,061 |
| Total current assets | | 27,424 | 12,913 | 15,829 |
| TOTAL ASSETS | | 172,169 | 143,945 | 148,323 |
| Equity & Liabilities | | | | |
| Equity | | | | |
| Share capital | | 85 | 85 | 85 |
| Share premium | | 48,587 | 48,587 | 48,587 |
| Currency translation reserve | | 914 | 2,132 | 839 |
| Other reserves | | 1,396 | 876 | 921 |
| Retained earnings | | 47,693 | 43,565 | 46,236 |
| TOTAL EQUITY | | 98,675 | 95,245 | 96,668 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Borrowings | 6 | 4,983 | - | - |
| Deferred tax liabilities | | 3,219 | 2,265 | 3,093 |
| Amounts committed on acquisition | 7 | 30,662 | 18,221 | 23,136 |
| Lease liability | | 14 | 141 | 99 |
| Total non-current liabilities | | 38,878 | 20,627 | 26,328 |
| Current liabilities | | | | |
| Borrowings | 6 | 9,884 | 14,717 | 14,793 |
| Amounts committed on acquisition | 7 | 15,643 | 8,524 | 5,845 |
| Trade and other payables | | 6,542 | 4,338 | 4,191 |
| Current tax liabilities | | 427 | 343 | 360 |
| Dividends payable | | 1,989 | - | - |
| Lease liability | | 131 | 151 | 138 |
| Total current liabilities | | 34,616 | 28,073 | 25,327 |
| TOTAL LIABILITIES | | 73,494 | 48,700 | 51,655 |
| TOTAL EQUITY AND LIABILITIES | | 172,169 | 143,945 | 148,323 |

The notes on pages 13 to 18 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 9 to 18 were approved for publication by the Board of Directors on 15 November 2023 and were signed on the Board of Directors' behalf by:

Erik Skarp, Board member

Johan Svensson, Board member

Condensed Consolidated Interim Statement of Changes in Equity

| EUR thousands | Share capital | Share premium | Currency translation reserve | Other reserves | Retained earnings | Total equity attributable to owners of the company | NCI | Total equity |
|--|---------------|---------------|------------------------------|----------------|-------------------|--|------------|----------------|
| Balance at 1 January 2023 | 85 | 48,587 | 839 | 921 | 46,236 | 96,668 | - | 96,668 |
| Comprehensive income | | | | | | | | |
| Profit for the period | - | - | - | - | 5,435 | 5,435 | - | 5,435 |
| Other comprehensive income | | | | | | | | |
| Currency translation adjustments taken to equity | - | - | 75 | - | - | 75 | - | 75 |
| | - | - | 75 | - | 5,435 | 5,510 | - | 5,510 |
| Transactions with owners | | | | | | | | |
| Capital contribution | - | - | - | 305 | - | 305 | - | 305 |
| Equity-settled share-based | - | - | - | 170 | - | 170 | - | 170 |
| Dividends declared | - | - | - | - | (3,978) | (3,978) | - | (3,978) |
| Total transactions with owners | - | - | - | 475 | (3,978) | (3,503) | - | (3,503) |
| Balance at 30 September 2023 | 85 | 48,587 | 914 | 1,396 | 47,693 | 98,675 | - | 98,675 |
| Balance at 1 January 2022 | 83 | 46,379 | (27) | 734 | 37,896 | 85,065 | 1 | 85,066 |
| Comprehensive income | | | | | | | | |
| Profit for the period | - | - | - | - | 5,663 | 5,663 | - | 5,663 |
| Other comprehensive income | | | | | | | | |
| Currency translation adjustments taken to equity | - | - | 2,159 | - | - | 2,159 | - | 2,159 |
| | - | - | 2,159 | - | 5,663 | 7,822 | - | 7,822 |
| Transactions with owners | | | | | | | | |
| Issue of share capital | 2 | 2,208 | - | - | - | 2,210 | - | 2,210 |
| Equity-settled share-based | - | - | - | 142 | - | 142 | - | 142 |
| Liquidation of subsidiary | - | - | - | - | 6 | 6 | (1) | 5 |
| Total transactions with owners | 2 | 2,208 | - | 142 | 6 | 2,358 | (1) | 2,357 |
| Balance at 30 September 2022 | 85 | 48,587 | 2,132 | 876 | 43,565 | 95,245 | - | 95,245 |
| Balance at 1 January 2022 | 83 | 46,379 | (27) | 734 | 37,896 | 85,065 | 1 | 85,066 |
| Comprehensive income | | | | | | | | |
| Profit for the year | - | - | - | - | 8,334 | 8,334 | - | 8,334 |
| Other comprehensive income | | | | | | | | |
| Currency translation adjustments taken to equity | - | - | 866 | - | - | 866 | - | 866 |
| | - | - | 866 | - | 8,334 | 9,200 | - | 9,200 |
| Transactions with owners | | | | | | | | |
| Issue of share capital | 2 | 2,208 | - | - | - | 2,210 | - | 2,210 |
| Equity-settled share-based | - | - | - | 187 | - | 187 | - | 187 |
| Liquidation of subsidiary | - | - | - | - | 6 | 6 | (1) | 5 |
| Total transactions with owners | 2 | 2,208 | - | 187 | 6 | 2,403 | (1) | 2,402 |
| Balance at 31 December 2022 | 85 | 48,587 | 839 | 921 | 46,236 | 96,668 | - | 96,668 |

The notes on pages 13 to 18 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

| EUR thousands | Note | Jul-Sep 2023 | Jul-Sep 2022 | Jan-Sep 2023 | Jan-Sep 2022 | Jan-Dec 2022 |
|---|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | | |
| Profit before tax | | 1,120 | 2,513 | 6,050 | 6,385 | 10,012 |
| Adjustments for: | | | | | | |
| Depreciation and amortisation | | 3,403 | 1,886 | 8,692 | 5,588 | 7,653 |
| Loss allowance | | 43 | - | 293 | - | (106) |
| Bad debts written-off | | 34 | 22 | 39 | 23 | 214 |
| Net finance cost | | 1,087 | 417 | 2,860 | 1,707 | 2,400 |
| Equity-settled share-based payment transactions | | 60 | 57 | 170 | 142 | 187 |
| Revaluation of financial liabilities at fair value through profit or loss | 7 | - | - | (405) | 12 | (56) |
| Loss on disposal of property, plant and equipment | | 1 | - | 2 | - | - |
| Loss on disposal of shares | | - | 1 | - | 1 | 1 |
| Liquidation of a subsidiary | | - | 5 | - | 5 | 5 |
| Net exchange differences | | (91) | (8) | (33) | (4) | 139 |
| | | 5,657 | 4,893 | 17,668 | 13,859 | 20,449 |
| Net income taxes paid | | (354) | (277) | (413) | (282) | (403) |
| Changes in: | | | | | | |
| Trade and other receivables | | (3,187) | (634) | (4,637) | (612) | (1,631) |
| Trade and other payables | | 1,529 | 288 | 2,638 | 468 | 409 |
| Net cash generated from operating activities | | 3,645 | 4,270 | 15,256 | 13,433 | 18,824 |
| Cash flows from investing activities | | | | | | |
| Acquisition of property, plant and equipment | | (13) | (14) | (42) | (74) | (98) |
| Acquisition of intangible assets | | - | (1,082) | (4,426) | (9,372) | (12,213) |
| Payment for software development costs | | (136) | (244) | (454) | (691) | (900) |
| Proceeds from sale of property, plant and equipment | | 1 | - | 5 | - | 1 |
| Net cash used in investing activities | | (148) | (1,340) | (4,917) | (10,137) | (13,210) |
| Cash flows from financing activities | | | | | | |
| Dividends paid to shareholders | | - | - | (1,989) | - | - |
| Lease payments | | (34) | (36) | (101) | (101) | (136) |
| Interest paid | | (304) | (163) | (925) | (495) | (625) |
| Net cash used in financing activities | | (338) | (199) | (3,015) | (596) | (761) |
| Net movements in cash and cash equivalents | | 3,159 | 2,731 | 7,324 | 2,700 | 4,853 |
| Cash and cash equivalents at the beginning of the period/year | | 12,192 | 3,264 | 8,061 | 3,205 | 3,205 |
| Effects of exchange rate changes on cash and cash equivalents | | 10 | 61 | (24) | 151 | 3 |
| Cash and cash equivalents at the end of the period/year | | 15,361 | 6,056 | 15,361 | 6,056 | 8,061 |

The notes on pages 13 to 18 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 2022.

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 comparative figures for the Direct costs and Other operating expenses disclosed in the main components of these condensed consolidated interim financial statements have been reclassified to conform with the current year's presentation for the purpose of fairer presentation. The 2022 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 new and amended standards issued by IASB effective from 2023, 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, particularly for US assets which have not performed in line with expectations. As at 30 September 2023, the concentration of Casumba assets in unregulated markets amounting to 25% of the Group's total intangible assets, gives rise to vulnerability to adverse developments that may occur in relation to these markets.

The Group will continue to carry out regular impairment testing and does not consider that the intangible assets as of 30 September 2023 are impaired, when also considering the Group's strategy for US assets. 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 2022, 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 and amounted to EUR 46.3 million (EUR 26.7 million) as at 30 September 2023. 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. Changes to deferred taxation were reflected in 2022 in relation to prior years' temporary differences amounting to EUR 0.4 million.

2.5 Working capital deficiency

During the quarter, Raketech has operated with a positive operating cash inflow. As at 30 September 2023, the Group is in a net current liability position of EUR 7.2 million (EUR 15.2 million). During 2023, 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 considering re-financing options. The Group has complied with the financial covenants of its credit facility during the reporting period.

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 2023 and 2022 is further analysed as follows:

| EUR thousands | <i>Jul-Sep</i> 2023 | <i>Jul-Sep</i> 2022 | <i>Change</i> | <i>Jan-Sep</i> 2023 | <i>Jan-Sep</i> 2022 | <i>Change</i> | <i>Jan-Dec</i> 2022 |
|--------------------------------------|-------------------------------|-------------------------------|---------------|-------------------------------|-------------------------------|---------------|-------------------------------|
| Revenue | 21,504 | 12,973 | 65.8% | 54,897 | 36,956 | 48.5% | 52,644 |
| Commissions | 18,343 | 10,065 | 82.2% | 44,263 | 27,164 | 62.9% | 38,563 |
| Flat fees | 2,227 | 1,616 | 37.8% | 7,273 | 5,363 | 35.6% | 7,795 |
| Betting tips and subscription income | 934 | 1,292 | (27.7%) | 3,361 | 4,429 | (24.1%) | 6,286 |

4 BUSINESS COMBINATION

On July 7, 2021, the Group entered into a share purchase agreement with QM Media AB (the sellers), an unrelated party. Raketech acquired all shares in P&P Vegas Group Inc for an upfront payment of EUR 3.9 million in cash and 3,881,968 new shares (having a nominal value of EUR 0.002 per share and issued at a premium of EUR 1.80 per share in Raketech Group Holding p.l.c.) for the amount of EUR 7.0 million. P&P Vegas Group Inc. is registered in the US and provides users with betting tips, with revenue predominantly from US. The acquisition supports the Group's existing strategy for global expansion.

During the third quarter of 2022, the provisional amounts for the business combination were adjusted. Customer liabilities taken over by the Group have been recognized within 'Other Payables'. During the measurement period, an adjustment of EUR 0.1 million to 'Other Payables' resulted in a further increase in goodwill.

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

| Purchase consideration EUR thousands | Provisional Amounts | Measurement Period Adjustments | Revised Fair Value |
|---|------------------------|--------------------------------------|-----------------------|
| Cash paid | 3,934 | - | 3,934 |
| Ordinary shares issued (at a premium) | 7,000 | - | 7,000 |
| Total purchase consideration | 10,934 | - | 10,934 |

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

| EUR thousands | Provisional Amounts | Measurement Period Adjustments | Revised Fair Value |
|---|------------------------|--------------------------------------|-----------------------|
| Websites and domains (Note 5) | 9,707 | - | 9,707 |
| Players database (Note 5) | 710 | - | 710 |
| Cash | 76 | - | 76 |
| Other receivables | 66 | - | 66 |
| Other payables | (87) | (115) | (202) |
| Laon liability | (133) | - | (133) |
| Fair value of net identifiable assets acquired | 10,339 | (115) | 10,224 |
| Goodwill (Note 5) | 595 | 115 | 710 |
| Net assets acquired | 10,934 | - | 10,934 |

The goodwill is predominantly attributable to future revenue synergies, including the opportunity to reach new players through access to know-how and human capital. Goodwill will not be deductible for tax purposes.

On November 8, 2021, the Group entered into an asset purchase agreement with A.T.S. Consultants Inc., Global Opportunities Network LLC and Sports Data Capital Fund LLC (the sellers), all unrelated parties. The agreement was completed on December 9, 2021. Raketech acquired assets held by the sellers for an upfront payment of EUR 10.6 million in cash, a deferred consideration of EUR 0.9 million, an amount of contingent consideration committed on acquisition estimated at EUR 7.6 million and 1,023,509 new shares (having a nominal value of EUR 0.002 per share and a premium of EUR 2.16 per share in Raketech Group Holding p.l.c.) for the amount of EUR 2.2 million which were issued in July 2022. The acquired business provides users, predominantly in the US with betting tips. The acquisition supports the Group's existing strategy for global expansion.

During the third quarter of 2022, the provisional amounts for the business combination were adjusted. Revenues worth EUR 0.9 million were determined to relate to future performance obligations and were adjusted as a contract liability upon acquisition. Updated information provided in relation to revenue patterns on an earned basis led to a revision in amounts committed on acquisition and ultimately resulted in a reduction in the valuation of websites and domains by EUR 2.9 million and goodwill by EUR 2.8 million.

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

| Purchase consideration EUR thousands | Provisional Amounts | Measurement Period Adjustments | Revised Fair Value |
|---|------------------------|--------------------------------------|-----------------------|
| Cash paid | 10,595 | - | 10,595 |
| Ordinary shares issued (at a premium) (issued in 2022) | 2,207 | - | 2,207 |
| Deferred consideration | 883 | - | 883 |
| Amounts committed on acquisition – contingent consideration | 7,554 | (6,568) | 986 |
| Total purchase consideration | 21,239 | (6,568) | 14,671 |

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

| EUR thousands | Provisional Amounts | Measurement Period Adjustments | Revised Fair Value |
|---|---------------------|--------------------------------|--------------------|
| Websites and domains (Note 5) | 17,140 | (2,851) | 14,289 |
| Players database (Note 5) | 1,047 | - | 1,047 |
| Computer equipment | 49 | - | 49 |
| Office furniture | 5 | - | 5 |
| Deferred income | - | (926) | (926) |
| Fair value of net identifiable assets acquired | 18,241 | (3,777) | 14,464 |
| Goodwill (Note 5) | 2,998 | (2,791) | 207 |
| Net assets acquired | 21,239 | (6,568) | 14,671 |

The goodwill is predominantly attributable to future revenue synergies, including the opportunity to reach new players through access to know-how and human capital. Goodwill will not be deductible for tax purposes.

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 detail, please refer to the Annual Report Note 14.

| EUR thousands | Domains and websites | Player databases | Other intellectual property | Technical platform | Software | Goodwill | Total |
|---|----------------------|------------------|-----------------------------|--------------------|--------------|--------------|-----------------|
| Cost at 1 January 2023 | 113,443 | 14,425 | 26,034 | 1,962 | 562 | 1,558 | 157,984 |
| Additions (including adjustments arising as a result of a change in estimates - Note 7) | 5,867 | 4,293 | 10,190 | 2 | - | - | 20,352 |
| Capitalised expenditure | - | - | - | 451 | - | - | 451 |
| Exchange differences | 103 | 8 | - | - | - | 1 | 112 |
| Cost as at 30 September 2023 | 119,413 | 18,726 | 36,224 | 2,415 | 562 | 1,559 | 178,899 |
| Accumulated amortisation and impairment 1 January 2023 | (40) | (8,732) | (15,499) | (686) | (562) | (344) | (25,863) |
| Amortisation charge | - | (2,761) | (5,451) | (331) | - | - | (8,543) |
| Exchange differences | - | (9) | - | - | - | - | (9) |
| Amortisation and impairment as at 30 September 2023 | (40) | (11,502) | (20,950) | (1,017) | (562) | (344) | (34,415) |
| Carrying amount as at 30 September 2023 | 119,373 | 7,224 | 15,274 | 1,398 | - | 1,215 | 144,484 |
| Carrying amount as at 30 September 2022 | 113,464 | 5,410 | 9,336 | 1,162 | - | 1,234 | 130,606 |

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 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 Finance AB were concluded and the Group's revolving credit facility of EUR 15.0 million was extended up until December 2024. The facility will be gradually reduced from EUR 15 million to EUR 10 million in March 2024 and subsequently to EUR 5 million from July 2024 up until December.

As of 30 September 2023, the utilised credit amounts to EUR 15.0 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.

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 2023, amounts committed on acquisition included contingent consideration of EUR 46.3 million (EUR 26.7 million). 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 | Jul-Sep 2023 | Jul-Sep 2022 | Jan-Sep 2023 | Jan-Sep 2022 | Jan-Dec 2022 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Opening balance | 41,158 | 19,659 | 28,981 | 26,355 | 26,355 |
| Settlements | - | (3,292) | (4,426) | (11,548) | (14,390) |
| Notional interest charge | 706 | 128 | 1,808 | 902 | 1,310 |
| Adjustments arising as a result of a change in fair value | 4,441 | 10,250 | 19,942 | 11,036 | 15,706 |
| Closing balance | 46,305 | 26,745 | 46,305 | 26,745 | 28,981 |

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 (EUR 1.2 million) net of payments amounting to EUR 0.7 million as of 30 September 2023. During June 2022 the deferred consideration of EUR 1.0 million was settled. The issuance of shares valued at EUR 2.2 million, previously included in amounts committed on acquisition was issued in July 2022.

The earn-out condition relating to Casumba 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 45.9 million (EUR 21.0 million) net of payments amounting to EUR 2.8 million (EUR 2.8 million) as of 30 September 2023. The earnout is divided into two parts. The first part amounting to EUR 32.6 million is based on an annual average EBIT multiple, on expected performance up until 31 December 2023. It is payable in instalments of up to EUR 15.0 million between 2024 and 2025. Raketech has the option to settle any amounts exceeding EUR 15.0 million until 16 September 2026 at an interest cost and to partially settle this amount with shares in Raketech Group Holding p.l.c., estimated at 5,443,252 shares as at 30 September 2023. Management's best estimate of the interest expense amounted to EUR 1.6 million as at 30 September 2023. The second part of the earnout amounting to EUR 11.6 million is calculated as a share of expected net profit up until 31 July 2024, payable during 2024 and 2025.

The decrease in the A.T.S. Consultants earn-out in 2023 amounting to EUR 0.4 million (nil) and the increase in the contingent consideration for Lead Republik amounting to nil (EUR 0.01 million) were 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 change in estimates according to the table above is related to contingent consideration for Casumba and Infinileads.

The adjustment to reflect the total impact of discounting in the condensed consolidated interim statement of financial position, amounted to EUR 1.8 million (EUR 0.9 million) by the end of the period. Of the amounts recognised in the condensed consolidated interim statement of financial position at 30 September 2023, EUR 15.6 million (EUR 8.5 million) is considered to fall due for payment within less than 12 months from the end of the reporting year. The current debt will be mainly settled through expected cash generation during 2023 and 2024.

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 2023 | Jul-Sep 2022 | Jan-Sep 2023 | Jan-Sep 2022 | Jan-Dec 2022 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Revenue | 26 | 163 | 133 | 525 | 661 |
| Expenses | | | | | |
| Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors | 348 | 407 | 1,106 | 1,213 | 1,630 |
| Amounts owed to related parties (including accruals) | 59 | 49 | 59 | 49 | 20 |
| Amounts owed by related parties | 67 | 37 | 67 | 37 | 65 |

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 | <i>Jul-Sep</i> 2023 | <i>Jul-Sep</i> 2022 | <i>Jan-Sep</i> 2023 | <i>Jan-Sep</i> 2022 | <i>Jan-Dec</i> 2022 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Dividend income | - | - | - | - | 6,300 |
| Other income | 128 | - | 395 | - | 488 |
| Total revenue | 128 | - | 395 | - | 6,788 |
| Employee benefit expense | (298) | (130) | (611) | (388) | (542) |
| Other operating expenses | (74) | (147) | (553) | (228) | (482) |
| Total operating expenses | (372) | (277) | (1,164) | (616) | (1,024) |
| Operating (loss)/income | (244) | (277) | (769) | (616) | 5,764 |
| Finance income | 161 | - | 477 | - | 638 |
| Finance costs | (380) | (253) | (1,047) | (760) | (1,042) |
| (Loss)/profit before tax | (463) | (530) | (1,339) | (1,376) | 5,360 |
| Tax credit | 38 | 83 | 110 | 83 | 103 |
| (Loss)/profit for the period/year - total comprehensive income | (425) | (447) | (1,229) | (1,293) | 5,463 |

Condensed Interim Statement of Financial Position – Parent Company

| EUR thousands | Sep 2023 | Sep 2022 | Dec 2022 |
|--|---------------|---------------|---------------|
| Assets | | | |
| Non - current assets | | | |
| Investment in subsidiaries | 12,363 | 12,363 | 12,363 |
| Trade and other receivables | 38,738 | 36,852 | 37,225 |
| Loan receivable from a subsidiary | 15,000 | 15,000 | 15,000 |
| Deferred tax asset | 213 | 83 | 103 |
| Total non-current assets | 66,314 | 64,298 | 64,691 |
| Current assets | | | |
| Trade and other receivables | 1,994 | - | 6,300 |
| Cash and cash equivalents | 62 | 65 | 65 |
| Total current assets | 2,056 | 65 | 6,365 |
| TOTAL ASSETS | 68,370 | 64,363 | 71,056 |
| Equity & Liabilities | | | |
| Equity | | | |
| Share capital | 85 | 85 | 85 |
| Share premium | 50,803 | 50,803 | 50,803 |
| Other reserves | 457 | (63) | (17) |
| (Accumulated losses)/retained earnings | (192) | (1,740) | 5,015 |
| TOTAL EQUITY | 51,153 | 49,085 | 55,886 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Borrowings | 4,983 | - | - |
| Total non-current liabilities | 4,983 | - | - |
| Current liabilities | | | |
| Borrowings | 9,884 | 14,717 | 14,793 |
| Trade and other payables | 361 | 561 | 377 |
| Dividends payable | 1,989 | - | - |
| Total current liabilities | 12,234 | 15,278 | 15,170 |
| TOTAL LIABILITIES | 17,217 | 15,278 | 15,170 |
| TOTAL EQUITY AND LIABILITIES | 68,370 | 64,363 | 71,056 |

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, 15 November 2023

OSKAR MÜHLBACH

CEO

ULRIK BENGTSOON

Chairman of the Board

JOHAN SVENSSON

Board member

CLARE BOYNTON

Board member

ERIK SKARP

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 15 November 2023. 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-2023>

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.

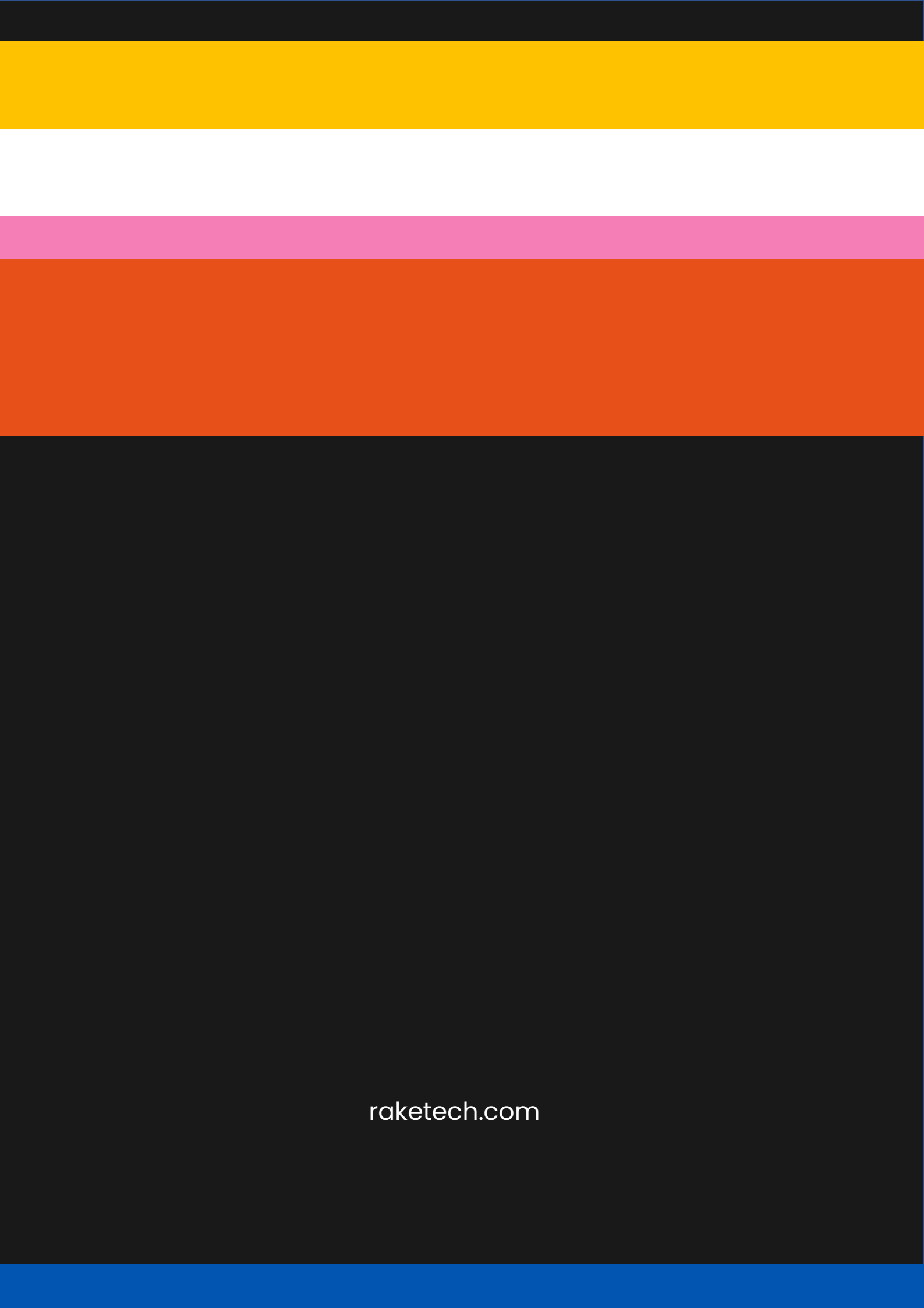
<https://conference.financialhearings.com/teleconference/?id=5001817>

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. CET on 15 November 2023.

Definitions of Alternative Performance Measures

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 dividend payments and new acquisitions |
| 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

