

**RAKETECH**

**Q1 Interim Report**

**2024**

## Sustained Revenue Growth Despite Unexpected Challenges

EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Change
Revenue	18,964	15,787	20.1%
Reported EBITDA	4,278	6,105	(29.9%)
Adjusted EBITDA	5,056	6,105	(17.2%)
Operating profit	1,262	3,837	(67.1%)
Adjusted operating profit	2,040	3,837	(46.8%)
Free cash flow before earnouts	6,511	5,614	16.0%

### Q1 2024 FINANCIAL HIGHLIGHTS

- Revenues in Q1 of 2024 totaled EUR 19.0 million (EUR 15.8 million), reflecting an organic growth increase of 20.1% (24.4%), driven by continued strong performance from sub-affiliation partially offset by weaker-than-expected results within affiliation marketing.
- EBITDA, adjusted for restructuring costs, was EUR 5.1 million (EUR 6.1 million), impacted by a weaker performance in Sweden compared to the previous year and soft performance of the Casumba assets following the Google Core update during the quarter. Other regions and products performed well, with sub-affiliation delivering a strong quarter in terms of EBITDA contribution.
- Operating profit, adjusted for costs related to re-structuring, amounted to EUR 2.0 million (EUR 3.8 million).
- Free cash flow before earnouts increased to EUR 6.5 million (EUR 5.6 million) with a positive working capital development from trade receivables.
  - Earnouts settled during the quarter amounted to EUR 13.0 million.

### OPERATIONAL REVIEW

We have concluded a thorough operational review, reaffirming our strategic priorities and aligning resources with our long-term growth objectives. Additionally, we have implemented efficiency measures and cost-cutting initiatives designed to optimize our operations and enhance profitability.

### FULL-YEAR OUTLOOK

Current trading, including April, implies an adjusted EBITDA of around EUR 20.0 million for the full year. Free cash flow before earnouts for the full year is estimated to come in just below adjusted EBITDA.

### SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

#### WITHDRAWAL OF DIVIDEND PROPOSAL

On May 14, 2024, the board decided to withdraw its previously announced proposal to distribute dividends in 2024, in line with its commitment to maintaining financial flexibility and supporting the company's long term growth ambitions. The primary focus is delivering value to shareholders and continuing to evaluate opportunities to enhance shareholder returns in a way that aligns with the Company's long-term value-creation objectives.

#### CURRENT TRADING

Revenues in April 2024 amounted to EUR 5.9 million (EUR 5.9 million).

## CEO Comment

In the first quarter of 2024, we delivered EUR 19.0 million in revenues, representing an organic increase of 20.1%, primarily driven by Sub-affiliation. Adjusted EBITDA came in at EUR 5.1 million, while EBITDA was EUR 4.3 million, consistent with our trading update published on 1 May. Although these results are below expectations, they were largely influenced by the softer performance within affiliation marketing due to the unexpected magnitude of the Google update completed at the end of April.

### Performance by business area

**Affiliation Marketing:** Our revenue declined by 18.5%, mainly due to the impact of Google's core update, particularly on our Casumba assets. Combined with a weaker Q1 from our Swedish assets and steady performance elsewhere, this led to overall weaker Q1 revenues. Completion of the Google update in April prompted a revision of our full-year guidance. Drawing from past experience, we are actively addressing this challenge. Working closely with Casumba's committed founders, we have implemented SEO recovery strategies and improved content quality.

**Sub-affiliation:** Our lower margin Sub-affiliation business area, encompassing Raketech Network and AffiliationCloud, demonstrated a year-on-year revenue increase. The EBITDA contribution remained strong, driven by an increased revenue share with our partners. We are enhancing our platform capabilities to improve partner performance and satisfaction, expanding to new markets, and onboarding new publishers. These initiatives are expected to drive sustained growth in the coming quarters.

**Betting tips and Subscription:** This area experienced a slight decline post the US sports high season. We are actively reviewing our strategy for this area, with a continued focus on our subscription-based digital platform.

### Operational review and strategic initiatives

In Q1, we concluded an operational review aimed at refocusing our strategic priorities, ensuring our resources are aligned with our primary objectives, and maintaining our financial strength and stability. Our analysis resulted in a number of strategic initiatives aimed at repositioning the current Affiliation Marketing model to ensure we prioritize our long-term organic growth drivers. Additionally, we implemented efficiency measures, including cost-cutting initiatives that will result in increased profitability, improved execution and a sharper focus on our prioritized products and markets.

We are prioritizing the following strategic initiatives to help drive growth and innovation:

### Lower our SEO Dependency:

- Leverage our strong portfolio of high direct traffic products to boost monetization opportunities.
- Enhance our current marketing strategies with content partnerships and increased paid marketing for both our casino and sports assets, with the goal of building a more resilient and adaptable marketing ecosystem.
- Intensify our CRM efforts to deliver personalized experiences and automated marketing campaigns that are designed to increase user retention and enhance lifetime value.

### Grow our Sports Vertical:

- Increased focus and monetization on our existing high-quality sports assets will continue the positive momentum in engagement and sales and maximize the opportunity from the strong demand we see for the upcoming UEFA Euro 2024.
- Our ongoing efforts to grow affiliation revenues on our US tipster assets have yielded the best quarterly performance to date, albeit from low levels. Thanks to a strong team and targeted efforts, we are pleased to see positive development from this initiative.

### Increase our Customized Partnerships

- We have continued to expand our successful partnership programme, as evidenced by our recent three-year media partnership with Danske Spil, the Danish state-owned operator. This marks our second major partnership in Denmark, following the agreement with VBET earlier this quarter. Additionally, we have signed an exclusive partnership with a newly launched brand in Sweden.

### Broaden Reach

- As part of the operational review, we will prioritize and focus our efforts by expanding into new geographies with our already well-established brands.

### Outlook

April revenues were EUR 5.9 million, reflecting the impact of the Google update and normal seasonal trends. Current trading, including April, implies an adjusted EBITDA of around EUR 20 million for the full year. Free cash flow before earnouts is estimated to be just below adjusted EBITDA.

We remain confident in our market-leading product offerings and see promising growth opportunities through our strategic initiatives in sports offerings, exclusive partnerships, and media deals. These efforts will position us well for continued growth in the coming years, and we remain committed to maximising shareholder value.

**Johan Svensson, Acting 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 20 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	Jan-Mar 2024	Jan-Mar 2023	Change	Jan-Dec 2023
<b>Financial Data</b>				
<b>Revenue (IFRS)</b>	<b>18,964</b>	<b>15,787</b>	<b>20.1%</b>	<b>77,688</b>
<i>Organic growth</i>	20.1%	24.4%	(4.3)	47.6%
<i>Revenue share</i>	33.2%	34.7%	(1.5)	30.7%
<i>Upfront payment</i>	47.9%	41.4%	6.5	50.1%
<i>Flat fee</i>	12.4%	14.8%	(2.4)	12.7%
<i>Betting tips and subscription income</i>	6.5%	9.1%	(2.6)	6.5%
<b>Affiliation marketing</b>	<b>8,767</b>	<b>10,755</b>	<b>(18.5%)</b>	<b>40,198</b>
<i>% of total revenue</i>	46.2%	68.1%	(21.9)	51.7%
<b>Sub-affiliation</b>	<b>8,970</b>	<b>3,591</b>	<b>149.8%</b>	<b>32,443</b>
<i>% of total revenue</i>	47.3%	22.7%	24.6	41.8%
<b>Betting tips and subscription income</b>	<b>1,227</b>	<b>1,441</b>	<b>(14.9%)</b>	<b>5,047</b>
<i>% of total revenue</i>	6.5%	9.2%	(2.8)	6.5%
<b>Casino</b>	<b>15,469</b>	<b>12,010</b>	<b>28.8%</b>	<b>63,090</b>
<i>% of total revenue</i>	81.6%	76.1%	5.5	81.2%
<b>Sport</b>	<b>3,495</b>	<b>3,777</b>	<b>(7.5%)</b>	<b>14,598</b>
<i>% of total revenue</i>	18.4%	23.9%	(5.5)	18.8%
<b>Sub-affiliation</b>				
<i>Revenues</i>	8,970	3,591	149.8%	32,443
<i>Publisher costs</i>	(6,911)	(2,919)	136.8%	(27,715)
<b>Gross profit</b>	<b>2,059</b>	<b>672</b>	<b>206.4%</b>	<b>4,728</b>
<b>Revenue from the Nordics</b>	<b>8,170</b>	<b>5,755</b>	<b>42.0%</b>	<b>33,561</b>
<i>% of total revenue</i>	43.1%	36.5%	6.6	43.2%
<b>Revenue from Rest of Europe</b>	<b>852</b>	<b>568</b>	<b>50.1%</b>	<b>3,237</b>
<i>% of total revenue</i>	4.5%	3.6%	0.9	4.2%
<b>Revenue from US</b>	<b>1,763</b>	<b>1,918</b>	<b>(8.1%)</b>	<b>6,370</b>
<i>% of total revenue</i>	9.3%	12.1%	(2.9)	8.2%
<b>Revenue from Rest of World</b>	<b>8,179</b>	<b>7,546</b>	<b>8.4%</b>	<b>34,520</b>
<i>% of total revenue</i>	43.1%	47.8%	(4.7)	44.4%
<b>EBITDA</b>	<b>4,278</b>	<b>6,105</b>	<b>(29.9%)</b>	<b>23,605</b>
<i>EBITDA margin</i>	22.6%	38.7%	(16.1)	30.4%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>5,056</b>	<b>6,105</b>	<b>(17.2%)</b>	<b>23,605</b>
<i>Adjusted EBITDA margin<sup>1</sup></i>	26.7%	38.7%	(12.0)	30.4%
<b>Operating profit</b>	<b>1,262</b>	<b>3,837</b>	<b>(67.1%)</b>	<b>11,663</b>
<i>Operating margin</i>	6.7%	24.3%	(17.7)	15.0%
<b>Adjusted operating profit<sup>1</sup></b>	<b>2,040</b>	<b>3,837</b>	<b>(46.8%)</b>	<b>11,663</b>
<i>Adjusted operating margin<sup>1</sup></i>	10.8%	24.3%	(13.5)	15.0%
<b>Profit for the period/year</b>	<b>174</b>	<b>2,822</b>	<b>(93.8%)</b>	<b>6,607</b>
<i>Profit margin</i>	0.9%	17.9%	(17.0)	8.5%
<b>Adjusted profit for the period/year<sup>1</sup></b>	<b>952</b>	<b>2,822</b>	<b>(66.3%)</b>	<b>6,607</b>
<i>Adjusted profit margin<sup>1</sup></i>	5.0%	17.9%	(12.9)	8.5%

<sup>1</sup> In Q1 2024, costs related to re-structuring of EUR 0.8 million, were recognised as non-recurring costs.

EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Change	Jan-Dec 2023
<b>Other Performance Measures</b>				
New depositing customers (NDC)	59,657	54,846	8.8%	263,871
Full time employees	148	112	32.1%	137
Contractors	91	111	(18.0%)	92
Free cash flow before earnouts	6,511	5,614	16.0%	18,942
Free cash flow after earnouts	(6,394)	1,388	(560.7%)	14,076
Net interest-bearing debt	2,798	5,298	(47.2%)	(3,625)
Net debt-to-adjusted EBITDA LTM	0.25	0.25	1.2%	(0.15)
Earnings per share before dilution (EUR) (IFRS)	0.00	0.07	(93.9%)	0.16
Earnings per share after dilution (EUR) (IFRS) <sup>1</sup>	0.00	0.06	(94.1%)	0.13
Adjusted earnings per share before dilution (EUR) (IFRS) <sup>2</sup>	0.02	0.07	(66.6%)	0.16
Adjusted earnings per share after dilution (EUR) (IFRS) <sup>1,2</sup>	0.02	0.06	(68.2%)	0.13
Weighted average number of shares, before dilution	42,715,314	42,319,110	0.9%	42,407,163
Weighted average number of shares, after dilution <sup>1</sup>	50,273,973	47,547,750	5.7%	50,003,034

<sup>1</sup>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 6.

<sup>2</sup> In Q1 2024, costs related to re-structuring of EUR 0.8 million, were recognised as non-recurring costs.

## Financial Performance during the First Quarter of 2024

### REVENUES

Revenues totalled EUR 19.0 million (EUR 15.8 million) representing an increase of 20.1%. Organic growth amounted to 20.1% (24.4%) and NDCs increased by 8.8%. The increase in revenues and NDCs is an effect of strong performance within sub-affiliation.

### EXPENSES

Publisher costs increased to EUR 7.0 million (EUR 3.0 million) driven by the increased activity for sub-affiliation.

Other direct expenses were EUR 1.4 million (EUR 1.4 million) in line with last year.

Employee benefit expenses amounted to EUR 3.2 million (EUR 2.3 million). Adjusted for costs related to re-structuring, employee benefit expenses amounted to EUR 2.4 million (EUR 2.3 million) largely in line with last year. Full-time employees totalled 148 (112) at the end of the period.

Other expenses increased to EUR 3.2 million (EUR 2.8 million), representing primarily increased costs through product investments and consultancy fees. Contractors totalled 91 (111) at the end of the period.

Depreciation and amortisation amounted to EUR 3.0 million (EUR 2.3 million). The increase in amortisation was primarily attributable to the upward adjustments to amounts committed on acquisitions relating to Casumba.

### PROFITABILITY

Reported EBITDA decreased to EUR 4.3 million (EUR 6.1 million), with growth within sub-affiliation, offset by a softer development for the high margin affiliation marketing. Adjusted for costs related to re-structuring, EBITDA amounted to EUR 5.1 million (EUR 6.1 million)

The EBITDA margin amounted to 22.6% (38.7%) reflecting the current product mix of low versus high margin business areas. Adjusted for costs related to re-structuring the EBITDA margin was 26.7% (38.7%).

The profit for the period amounted to EUR 0.2 million, (EUR 2.8 million), impacted by increased non-cash affecting amortisation and finance cost. Adjusted for costs related to re-structuring the profit for the period amounted to EUR 1.0 million (EUR 2.8 million).

### CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities was EUR 7.0 million (EUR 6.1 million), positively impacted by timing of trade receivables.

Cash flow from investing activities amounted to EUR -13.1 million (EUR -4.4 million) primarily due to earn-out settlements made during the quarter.

Cash flow from financing activities amounted to EUR -0.3 million (EUR -0.4 million), as a result of lease and interest payments made during the quarter.

Cash and cash equivalents at the end of the quarter amounted to EUR 7.1 million (EUR 9.4 million).

### THE PARENT COMPANY

Raketech Group Holding P.L.C is the Parent Company. Total operating costs amounted to EUR 0.5 million (EUR 0.4 million). Loss for the period was EUR 0.3 million (EUR 0.7 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 42,715,314. 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.

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

## Upcoming Dates

<b>16 MAY</b>	ANNUAL GENERAL MEETING 2024
<b>14 AUG</b>	INTERIM REPORT APR-JUN 2024
<b>14 NOV</b>	INTERIM REPORT JUL-SEP 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.

## Condensed Consolidated Interim Income Statement

EUR thousands	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Total revenue</b>	3	<b>18,964</b>	15,787	77,688
Publisher costs		<b>(6,911)</b>	(2,919)	(27,715)
Other direct costs relating to fixed fees and commission revenue		<b>(1,375)</b>	(1,414)	(5,045)
Employee benefit expense		<b>(3,153)</b>	(2,293)	(9,968)
Depreciation and amortisation		<b>(3,016)</b>	(2,268)	(11,942)
Movement in loss allowance on trade receivables		-	(250)	(89)
Bad debts written-off		<b>(38)</b>	27	(75)
Other operating expenses		<b>(3,209)</b>	(2,833)	(11,597)
<b>Total operating expenses</b>		<b>(17,702)</b>	(11,950)	(66,430)
Revaluation of financial liabilities at fair value through profit or loss		-	-	405
<b>Operating profit</b>		<b>1,262</b>	3,837	11,663
Loan finance costs		<b>(284)</b>	(315)	(1,449)
Other finance costs		<b>(571)</b>	(494)	(2,739)
<b>Profit before tax</b>		<b>407</b>	3,028	7,475
Current tax expense		<b>(300)</b>	(119)	(681)
Deferred tax credit/(expense)		<b>67</b>	(87)	(187)
<b>Profit for the period/year</b>		<b>174</b>	2,822	6,607
<b>Profit for the period/year attributable to owners of the parent</b>		<b>174</b>	2,822	6,607
<b>Earnings per share attributable to the equity holders of the Parent during the period/year</b>				
<b>Earnings per share before dilution (in EUR)</b>		<b>0.00</b>	0.07	0.16
<b>Earnings per share after dilution (in EUR)<sup>1</sup></b>		<b>0.00</b>	0.06	0.13
<b>Adjusted earnings per share before dilution (in EUR)<sup>2</sup></b>		<b>0.02</b>	0.07	0.16
<b>Adjusted earnings per share after dilution (in EUR)<sup>1,2</sup></b>		<b>0.02</b>	0.06	0.13

## Condensed Consolidated Interim Statement of Comprehensive Income

EUR thousands	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Currency translation adjustments taken to equity	<b>346</b>	(258)	(604)
<b>Total other comprehensive income/(loss) for the period/year</b>	<b>346</b>	(258)	(604)
<b>Total comprehensive income for the period/year</b>	<b>520</b>	2,564	6,003
<b>Comprehensive income for the year attributable to owners of the parent</b>	<b>520</b>	2,564	6,003

<sup>1</sup>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 6.

<sup>2</sup>In Q1 2024, costs related to re-structuring of EUR 0.8 million, were recognised as non-recurring costs.

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

## Condensed Consolidated Interim Statement of Financial Position

EUR thousands	Notes	Mar 2024	Mar 2023	Dec 2023
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	4	1,211	1,210	1,206
Intangible assets	4	136,582	141,804	139,294
Right-of-use assets		73	194	102
Property, plant and equipment		88	139	101
<b>Total non-current assets</b>		<b>137,954</b>	143,347	140,703
<b>Current assets</b>				
Trade and other receivables		8,959	7,996	11,835
Cash and cash equivalents		7,095	9,419	13,459
<b>Total current assets</b>		<b>16,054</b>	17,415	25,294
<b>TOTAL ASSETS</b>		<b>154,008</b>	160,762	165,997
<b>Equity &amp; Liabilities</b>				
<b>Equity</b>				
Share capital		86	85	86
Share premium		48,951	48,587	48,951
Currency translation reserve		581	581	235
Other reserves		1,237	980	1,160
Retained earnings		49,039	49,058	48,865
<b>Equity attributable to owners of the Company</b>		<b>99,894</b>	99,291	99,297
<b>TOTAL EQUITY</b>		<b>99,894</b>	99,291	99,297
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities		3,207	3,175	3,280
Amounts committed on acquisition	6	19,637	26,814	28,170
Lease liability		-	78	-
<b>Total non-current liabilities</b>		<b>22,844</b>	30,067	31,450
<b>Current liabilities</b>				
Borrowings	5	9,893	14,717	9,834
Amounts committed on acquisition	6	14,210	11,715	18,291
Trade and other payables		6,340	4,372	6,568
Current tax liabilities		748	476	449
Lease liability		79	124	108
<b>Total current liabilities</b>		<b>31,270</b>	31,404	35,250
<b>TOTAL LIABILITIES</b>		<b>54,114</b>	61,471	66,700
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>154,008</b>	160,762	165,997

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

The condensed consolidated interim financial statements on pages 8 to 16 were approved for publication by the Board of Directors on 15 May 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	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
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	174	174
<b>Other comprehensive income</b>						
Currency translation adjustments taken to equity	-	-	346	-	-	346
	-	-	<b>346</b>	-	<b>174</b>	<b>520</b>
<b>Transactions with owners</b>						
Equity-settled share-based payments	-	-	-	77	-	77
<b>Total transactions with owners</b>	-	-	-	<b>77</b>	-	<b>77</b>
<b>Balance at 31 March 2024</b>	<b>86</b>	<b>48,951</b>	<b>581</b>	<b>1,237</b>	<b>49,039</b>	<b>99,894</b>
Balance at 1 January 2023	85	48,587	839	921	46,236	96,668
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	2,822	2,822
<b>Other comprehensive income</b>						
Currency translation adjustments taken to equity	-	-	(258)	-	-	(258)
	-	-	<b>(258)</b>	-	<b>2,822</b>	<b>2,564</b>
<b>Transactions with owners</b>						
Equity-settled share-based payments	-	-	-	59	-	59
<b>Total transactions with owners</b>	-	-	-	<b>59</b>	-	<b>59</b>
<b>Balance at 31 March 2023</b>	<b>85</b>	<b>48,587</b>	<b>581</b>	<b>980</b>	<b>49,058</b>	<b>99,291</b>
Balance at 1 January 2023	85	48,587	839	921	46,236	96,668
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	6,607	6,607
<b>Other comprehensive income</b>						
Currency translation adjustments taken to equity	-	-	(604)	-	-	(604)
	-	-	<b>(604)</b>	-	<b>6,607</b>	<b>6,003</b>
<b>Transactions with owners</b>						
Issue of share capital	1	364	-	-	-	365
Equity-settled share-based payments	-	-	-	239	-	239
Dividends paid	-	-	-	-	(3,978)	(3,978)
<b>Total transactions with owners</b>	<b>1</b>	<b>364</b>	-	<b>239</b>	<b>(3,978)</b>	<b>(3,374)</b>
<b>Balance at 31 December 2023</b>	<b>86</b>	<b>48,951</b>	<b>235</b>	<b>1,160</b>	<b>48,865</b>	<b>99,297</b>

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

## Condensed Consolidated Interim Statement of Cash Flows

EUR thousands	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<b>Cash flows from operating activities</b>				
Profit before tax		407	3,028	7,475
Adjustments for:				
Depreciation and amortisation		3,016	2,268	11,942
Loss allowance		-	250	89
Bad debts written-off		38	(27)	75
Net finance cost		855	809	4,188
Equity-settled share-based payment transactions		77	59	239
Revaluation of financial liabilities at fair value through profit or loss	6	-	-	(405)
Loss on disposal of property, plant and equipment		-	-	3
Net exchange differences		(25)	55	(7)
		<b>4,368</b>	<b>6,442</b>	<b>23,599</b>
Net income taxes paid		-	(2)	(591)
Changes in:				
Trade and other receivables		2,842	(455)	(4,246)
Trade and other payables		(232)	151	2,260
<b>Net cash generated from operating activities</b>		<b>6,978</b>	<b>6,136</b>	<b>21,022</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment		(7)	(14)	(43)
Acquisition of intangible assets		(12,905)	(4,226)	(4,866)
Payment of software development costs		(202)	(132)	(656)
Proceeds from sale of property, plant and equipment		2	2	6
<b>Net cash used in investing activities</b>		<b>(13,112)</b>	<b>(4,370)</b>	<b>(5,559)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares		-	-	365
Repayments of borrowings		-	-	(5,000)
Dividends paid to shareholders		-	-	(3,978)
Lease payments		(34)	(34)	(135)
Interest paid		(226)	(344)	(1,252)
<b>Net cash used in financing activities</b>		<b>(260)</b>	<b>(378)</b>	<b>(10,000)</b>
Net movements in cash and cash equivalents		(6,394)	1,388	5,463
Cash and cash equivalents at the beginning of the period/year		13,459	8,061	8,061
Effects of exchange rate changes on cash and cash equivalents		30	(30)	(65)
<b>Cash and cash equivalents at the end of the period/year</b>		<b>7,095</b>	<b>9,419</b>	<b>13,459</b>

The notes on pages 12 to 16 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 not yet applied*

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, particularly for US assets which have not performed in line with expectations. As at 31 March 2024, the concentration of Casumba assets in unregulated markets amounting to 22% and the US assets amounting to 19% of the Group's total intangible assets, give 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 31 March 2024 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 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 31 March 2024, amounts committed on acquisition included contingent consideration and interest expense of EUR 4.8 million (EUR 38.5 million) and EUR 29.0 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 6).

### 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.

### 2.5 Working capital deficiency

During the quarter, Raketech has operated with a positive operating cash inflow. As at 31 March 2024, the Group is in a net current liability position of EUR 15.2 million (EUR 14.0 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 considering re-financing options. The Group has complied with the financial covenants of its credit facility during the reporting year.

## 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	Jan-Mar 2024	Jan-Mar 2023	Change	Jan-Dec 2023
<b>Revenue</b>	<b>18,964</b>	<b>15,787</b>	20.1%	77,688
Commissions	15,386	12,012	28.1%	62,797
Flat fees	2,351	2,334	0.7%	9,844
Betting tips and subscription income	1,227	1,441	(14.9%)	5,047

## 4 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
Additions (including adjustments arising as a result of a change in estimates - note 6)	(84)	(58)	(138)	-	-	-	(280)
Capitalised expenditure	-	-	-	202	-	-	202
Exchange differences	324	24	-	-	-	-	353
<b>Cost as at 31 March 2024</b>	<b>118,928</b>	<b>18,576</b>	<b>35,921</b>	<b>2,819</b>	<b>562</b>	<b>1,555</b>	<b>178,361</b>
Accumulated amortisation and impairment 1 January 2024	(40)	(12,504)	(22,991)	(1,145)	(562)	(344)	(37,586)
Amortisation charge	-	(966)	(1,863)	(138)	-	-	(2,967)
Exchange differences	-	(15)	-	-	-	-	(15)
<b>Amortisation and impairment as at 31 March 2024</b>	<b>(40)</b>	<b>(13,485)</b>	<b>(24,854)</b>	<b>(1,283)</b>	<b>(562)</b>	<b>(344)</b>	<b>(40,568)</b>
<b>Carrying amount as at 31 March 2024</b>	<b>118,888</b>	<b>5,091</b>	<b>11,067</b>	<b>1,536</b>	<b>-</b>	<b>1,211</b>	<b>137,793</b>
Carrying amount as at 31 March 2023	116,969	17,214	32,694	2,094	562	1,554	171,087

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.

## 5 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 10.0 million by the end of the quarter and will continue to be gradually reduced to EUR 5.0 million from July 2024 up until December 2024.

As of 31 March 2024, the utilised credit amounts to EUR 10.0 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.

## 6 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 31 March 2024, amounts committed on acquisition included contingent consideration and interest expense of EUR 4.8 million (EUR 38.5 million) and EUR 29.0 million (nil) as fixed consideration. This contingent consideration is measured at fair value and is included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently, at each reporting date, by calculating the expected cash outflow on each purchase agreement.

EUR thousands	<b>Jan-Mar 2024</b>	<b>Jan-Mar 2023</b>	<b>Jan-Dec 2023</b>
Opening balance	<b>46,461</b>	28,981	28,981
Settlements/setoffs	<b>(12,905)</b>	(4,226)	(4,866)
Notional interest charge	<b>571</b>	492	2,734
Adjustments arising as a result of a change in fair value	<b>(280)</b>	13,282	19,611
<b>Closing balance</b>	<b>33,847</b>	38,529	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 (EUR 0.4 million) net of payments amounting to EUR 0.7 million as of 31 March 2024.

The contingent earn-out condition relating to Casumba is uncapped, based on performance up until 31 July 2024. Management's best estimate of the contingent consideration, amounted to EUR 3.2 million (EUR 37.7 million). The fixed consideration amount to EUR 29.0 million (nil), net of payments amounting to EUR 12.9 million (EUR 2.6 million) as of 31 March 2024. EUR 13.2 million of the full estimated 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. Raketech also has the option to partially settle the amount with shares in Raketech Group Holding P.L.C, estimated at 6,281,800 shares as at 31 March 2024. Management's best estimate of the interest expense amounted to EUR 1.6 million as at 31 March 2024.

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

The adjustment to reflect the total impact of discounting in the condensed consolidated interim statement of financial position, amounted to EUR 0.6 million (EUR 0.5 million) by the end of the quarter. Of the amounts recognised in the condensed consolidated interim statement of financial position at 31 March 2024, EUR 14.2 million (EUR 11.7 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 2024.

## 7 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	<b>Jan-Mar 2024</b>	<b>Jan-Mar 2023</b>	<b>Jan-Dec 2023</b>
<b>Revenue</b>	<b>38</b>	80	178
<b>Expenses</b>			
Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors	<b>1,185</b>	373	1,973
<b>Amounts owed to related parties (including accruals)</b>	<b>67</b>	49	12
<b>Amounts owed by related parties</b>	<b>15</b>	57	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	<i>Jan-Mar</i>	<i>Jan-Mar</i>	<i>Jan-Dec</i>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Dividend income	-	-	6,650
Other income	<b>305</b>	-	551
<b>Total revenue</b>	<b>305</b>	-	<b>7,201</b>
Employee benefit expense	<b>(311)</b>	(153)	(909)
Other operating expenses	<b>(229)</b>	(242)	(818)
<b>Total operating expenses</b>	<b>(540)</b>	<b>(395)</b>	<b>(1,727)</b>
<b>Operating (cost)/income</b>	<b>(235)</b>	<b>(395)</b>	<b>5,474</b>
Finance income	<b>159</b>	-	638
Finance costs	<b>(284)</b>	(315)	(1,447)
<b>(Loss)/profit before tax</b>	<b>(360)</b>	<b>(710)</b>	<b>4,665</b>
Tax credit	<b>26</b>	36	99
<b>(Loss)/profit for the period/year – total comprehensive expense</b>	<b>(334)</b>	<b>(674)</b>	<b>4,764</b>

## Condensed Interim Statement of Financial Position – Parent Company

EUR thousands	<b>Mar</b> <b>2024</b>	<b>Mar</b> <b>2023</b>	<b>Dec</b> <b>2023</b>
<b>Assets</b>			
<b>Non - current assets</b>			
Investment in subsidiaries	12,363	12,363	12,363
Trade and other receivables	35,251	36,451	35,774
Loan receivable from a subsidiary	15,000	15,000	15,000
Deferred tax asset	30	139	203
<b>Total non-current assets</b>	<b>62,644</b>	<b>63,953</b>	<b>63,340</b>
<b>Current assets</b>			
Trade and other receivables	4,522	6,305	4,529
Cash and cash equivalents	62	63	64
<b>Total current assets</b>	<b>4,584</b>	<b>6,368</b>	<b>4,593</b>
<b>TOTAL ASSETS</b>	<b>67,228</b>	<b>70,321</b>	<b>67,933</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share capital	86	85	86
Share premium	51,168	50,803	51,168
Other reserves	299	41	222
Retained earnings	5,268	4,339	5,802
<b>TOTAL EQUITY</b>	<b>56,821</b>	<b>55,268</b>	<b>57,278</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	9,893	14,717	9,834
Trade and other payables	283	336	590
Current tax liabilities	231	-	231
<b>Total current liabilities</b>	<b>10,407</b>	<b>15,053</b>	<b>10,655</b>
<b>TOTAL LIABILITIES</b>	<b>10,407</b>	<b>15,053</b>	<b>10,655</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,228</b>	<b>70,321</b>	<b>67,933</b>

## 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 May 2024

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**JOHAN SVENSSON**

*Acting CEO*

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**ULRIK BENGTTSSON**

*Chairman of the Board*

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**ERIK SKARP**

*Board member*

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**CLARE BOYNTON**

*Board member*

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**MARINA ANDERSSON**

*Board member*

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**PATRICK JONKER**

*Board member*

### Presentation for investors, analysts and the media

Acting CEO Johan Svensson and CFO Måns Svalborn will present the report and answer questions at 09.00 a.m. CEST on 15 May 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-q1-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.

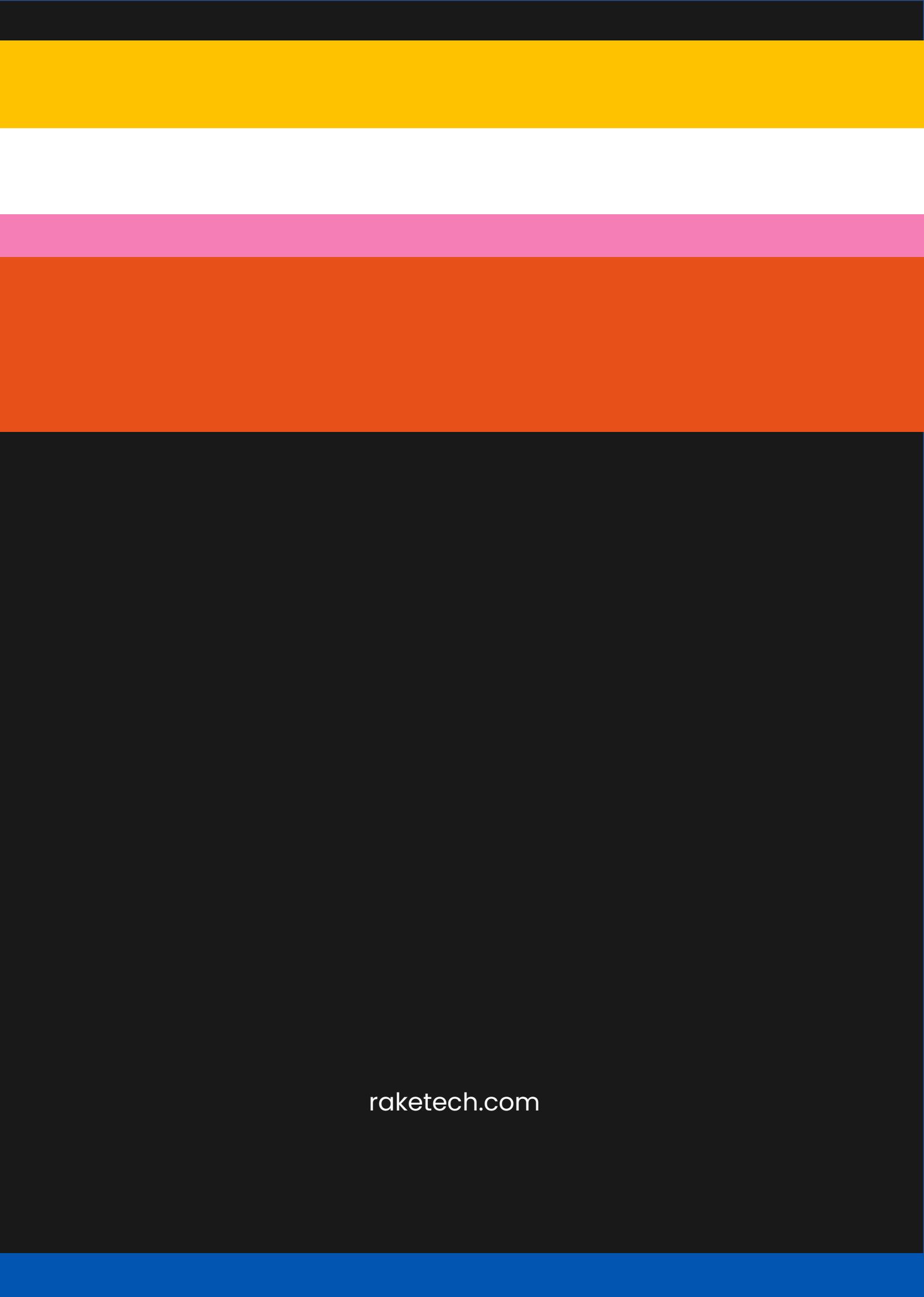
<https://conference.financialhearings.com/teleconference/?id=50048908>

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 15 May 2024.

## Definitions of Alternative Performance Metrics

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

<b>ADJUSTED EBITDA</b>	EBITDA adjusted for non-recurring costs
<b>ADJUSTED EBITDA MARGIN</b>	Adjusted EBITDA as a percentage of total revenue for the period/year
<b>ADJUSTED OPERATING MARGIN</b>	Operating margin adjusted for non-recurring costs
<b>ADJUSTED OPERATING PROFIT</b>	Operating profit adjusted for non-recurring costs
<b>EBITDA</b>	Operating profit before depreciation, amortisation and impairment
<b>EBITDA MARGIN</b>	EBITDA as a percentage of revenue for the period/year
<b>FREE CASH FLOW</b>	Net movements in cash and cash equivalents excluding proceeds from issue of shares, dividend payments, new acquisitions and proceeds and repayments for borrowings.
<b>LTM</b>	Last twelve months
<b>NDC (NEW DEPOSITING CUSTOMER)</b>	A new customer placing a first deposit on a partners' website
<b>NET DEBT-TO-ADJUSTED EBITDA</b>	Net interest-bearing debt at the end of the period/year in relation to adjusted LTM EBITDA
<b>NET INTEREST-BEARING DEBT</b>	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
<b>OPERATING MARGIN</b>	Operating profit as a percentage of revenue for the period/year
<b>OPERATING PROFIT</b>	Profit before financial items and taxes
<b>ORGANIC GROWTH</b>	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.
<b>REVENUE GROWTH</b>	Increase in revenue compared to the previous accounting period/year as a percentage of revenue in the previous accounting period/year
<b>TRAFFIC</b>	Relates to the number of visitors/users of Raketech's assets



[raketechnology.com](http://raketechnology.com)

