

**RAKETECH**

**Q1 Interim Report**

**2021**

# Interim report JAN-MAR 2021

## FIRST QUARTER 2021

- Revenues totalled EUR 8.3 million (EUR 6.5 million) representing an increase of 26.6%
- Organic growth amounted to 5.4% (-10.7%)
- NDCs (New Depositing Customers) amounted to 39,874 (32,278), representing an increase of 23.5%
- EBITDA amounted to EUR 3.2 million (EUR 2.6 million), corresponding to a margin of 38.7% (40.2%)
- Operating profit amounted to EUR 1.6 million (EUR 1.4 million), corresponding to a margin of 18.9% (20.9%)
- Profit for the period amounted to EUR 1.1 million (EUR 1.1 million)
- Earnings per share amounted to EUR 0.03 (EUR 0.03)

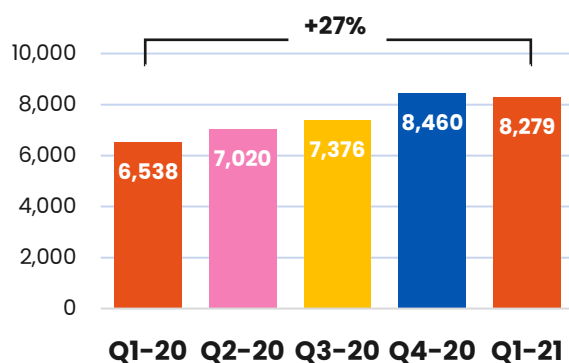
## EVENTS DURING FIRST QUARTER 2021

- There were no significant events during the quarter.

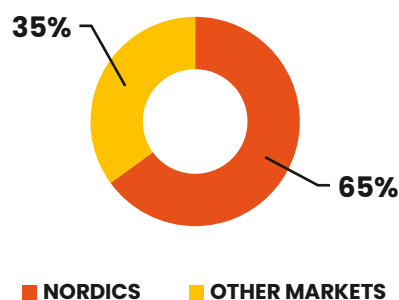
## SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

- Revenues in April, 2021 of EUR 2.8 million (EUR 2.4 million).

REVENUES, EUR thousands



GEOGRAPHICAL SPLIT, Q1 2021



# 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 17 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                                      | Jan-Mar<br>2021 | Jan-Mar<br>2020 | Change       | Jan-Dec<br>2020 |
|--|-----------------|-----------------|--------------|-----------------|
| <b>Financial Data</b>                              |                 |                 |              |                 |
| <b>Revenue (IFRS)</b>                              | <b>8,279</b>    | <b>6,538</b>    | <b>26.6%</b> | <b>29,394</b>   |
| <i>Organic growth</i>                              | 5.4%            | (10.7%)         | 16.1         | 0.7%            |
| <i>Revenue share</i>                               | 40.5%           | 49.2%           | (8.7)        | 43.8%           |
| <i>Upfront payment</i>                             | 42.8%           | 36.4%           | 6.4          | 40.5%           |
| <i>Flat fee</i>                                    | 16.7%           | 14.4%           | 2.3          | 15.7%           |
| <i>Casino of total revenue</i>                     | 82.5%           | 78.3%           | 4.2          | 85.1%           |
| <i>Sport of total revenue</i>                      | 17.0%           | 16.7%           | 0.3          | 11.5%           |
| <i>Other of total revenue</i>                      | 0.5%            | 5.0%            | (4.5)        | 3.4%            |
| <i>Revenue from the Nordics</i>                    | 64.9%           | 85.8%           | (20.9)       | 80.4%           |
| <i>Revenue from other markets</i>                  | 35.1%           | 14.2%           | 20.9         | 19.6%           |
| <b>EBITDA</b>                                      | <b>3,205</b>    | <b>2,627</b>    | <b>22.0%</b> | <b>12,031</b>   |
| EBITDA margin                                      | 38.7%           | 40.2%           | (1.5)        | 40.9%           |
| <b>Operating profit</b>                            | <b>1,561</b>    | <b>1,367</b>    | <b>14.2%</b> | <b>6,624</b>    |
| Operating margin                                   | 18.9%           | 20.9%           | (2.0)        | 22.5%           |
| <b>Other Performance Measures</b>                  |                 |                 |              |                 |
| New depositing customers (NDC)                     | 39,874          | 32,278          | 23.5%        | 177,572         |
| Full time employees                                | 75              | 83              | (9.6%)       | 78              |
| Net interest-bearing debt                          | (4,024)         | 122             | (3398.8%)    | (3,034)         |
| Net debt-to-adjusted EBITDA LTM                    | (0.32)          | 0.01            | (2766.4%)    | (0.25)          |
| Earnings per share before dilution (EUR) (IFRS)    | 0.03            | 0.03            | 7.1%         | 0.15            |
| Earnings per share after dilution (EUR) (IFRS)     | 0.03            | 0.03            | 6.5%         | 0.15            |
| Weighted average number of shares, before dilution | 37,413,633      | 37,413,633      | 0.0%         | 37,413,633      |
| Weighted average number of shares, after dilution  | 38,431,088      | 38,228,727      | 0.5%         | 38,567,489      |

# CEO Comment

The first quarter of 2021 was a solid quarter for Raketech. Despite Q1 traditionally being a slower quarter, revenues came in in line with Q4, totaling EUR 8.3m. This equals an annual growth rate of 27% whereof 5% was organic. EBITDA margin reached 39% which, considering continuously significant investments into R&D and geographical expansion, is comforting.

With regards to margin, it is worth noticing that our lower margin network revenues now represent a fair share of our total revenues and that our Finance vertical, which was on the contrary very strong with regards to margin, no longer are in the numbers. In practice this means that our operational efficiency continues to be high, and that growth from our core operations can be expected to have positive impact on margin over time, alternatively to be used to further accelerate growth by developing new products, offerings, enter into new geographies and more.

Primary growth drivers in the quarter were our Japanese and US efforts, as well as continuously solid performance from our Network sales. Once again Japan stands out positively, delivering record numbers on all KPIs, spanning from traffic/sessions to monetization. And in the US, the Superbowl in combination with our newest licenses in the states of Virginia and Michigan, significantly pushed the needle, mid quarter. However, this needle was to some extent, but as expected, slightly pushed back by low seasonality on other markets, increased gambling tax in Denmark, CasinoFeber still being lower than previously and payment blocks in Norway.

Our sports share of total revenues increased to 17%, representing an annual growth of 27%, much thanks to our US assets. And our non-Nordic revenues furthermore increased to 35%, which not only is all time high, but also a major strategic milestone in our quest to lower our dependency on the Nordics by expanding geographically. Sweden, which currently represents 38% of the group's total revenues, compared to 55% last year same period is however still by far our largest market, even though the dependency has decreased significantly. Primarily, the development is supported by acquired additional revenues on new markets as well as strong performance on other markets – with Japan leading the way. After experiencing an extraordinary growth during 2020, which continued the first quarter 2021, it is satisfying to conclude that Japan now is representing 11% of the group's total. Additionally, the US

is representing 6% of total, which considering the short time frame should be interpreted as a sign of Raketech having high ambitions on the American market.

## OUTLOOK

I am pleased to be able to conclude that the positive momentum we showed in Q4 continued into Q1 and resulted in yet another stable quarter. Furthermore, April revenues amounted to EUR 2.8m, despite the US slowing down slightly after the Superbowl peak.

The Raketech team is currently focusing on ensuring we maximize the potential from the European Championships in Football coming up in June in addition to our continuous efforts to ensure we deliver on strategic goals with regards to geographical expansion and commercial diversification, through R&D as well as M&A.

Finally, I want to take the opportunity to thank the Chairman of the Board; Christian Lundberg, who has declined re-election as of this year's AGM in May. Thank you Christian, for sharing your wisdom and for being such a great support, to me personally and to the whole team at Raketech. And also, a warm welcome to industry veteran Ulrik Bengtsson who is nominated to take on the role after Mr Lundberg. I am very much looking forward to taking Raketech to new levels together!

**Oskar Mühlbach, Group CEO**

# Financial Performance during the First Quarter of 2021

## REVENUES

Revenues totalled EUR 8.3 million (EUR 6.5 million) representing an increase of 26.6%. The increase was driven by the recently acquired AmericanGambler and Lead Republik, which to some extent was offset by a reduction in revenues following the disposal of the consumer finance assets which took place in Q4 of 2020. Additionally, the quarter was positively impacted by organic growth of 5.4% (-10.7%).

## EXPENSES

Direct expenses increased to EUR 2.9 million (EUR 1.6 million) driven by paid media through our new product offering following the acquisition of Lead Republik as well as through the expansion and the recent acquisition targeting the US.

Employee benefit expenses amounted to EUR 1.2 million (EUR 1.3 million). The decrease relates to a minor shift of employees to contractors. Full-time employees totalled 75 (83) at the end of the period.

Other expenses amounted to EUR 1.0 million (EUR 0.9 million), representing a slight increase primarily as an effect of a minor shift of employees to contractors.

Loss allowance net of bad debts written-off amounted to EUR 0.0 million (EUR 0.1 million).

Depreciation and amortisation amounted to EUR 1.6 million (EUR 1.3 million). The increased amortisation was primarily attributable to the upward adjustments to amounts committed on acquisitions relating to CasinoFeber and Casumba.

## PROFITABILITY

Reported EBITDA increased to EUR 3.2 million (EUR 2.6 million) with higher revenues through the addition of new product categories, growth of the existing portfolio and geographical expansion.

The EBITDA margin amounted to 38.7% (40.2%), somewhat lower through the new product offering following the acquisition of Lead Republik.

The profit for the period amounted to EUR 1.1 million (EUR 1.1 million), largely affected by increases in amortisations following upward adjustments to amounts committed on acquisitions relating to CasinoFeber and Casumba.

## CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities increased to EUR 3.8 million (EUR 2.6 million), driven by higher profitability as well as, to some extent, timing effects from trade receivables and payables.

Cash flow from investing activities amounted to EUR -2.7 million (EUR -3.4 million) as a result of the settlement of earn-outs during the quarter.

Cash flow from financing activities amounted to EUR -2.0 million (EUR -0.1 million). During the quarter, the utilised amount of the credit facility with Swedbank amounting to EUR 2.0 million was repaid in full.

Cash and cash equivalents at the end of the quarter amounted to EUR 4.0 million (EUR 3.2 million).

## THE PARENT COMPANY

Raketech Group Holding PLC is the Parent Company. Total operating costs amounted to EUR 0.2 million (EUR 0.2 million). Loss for the period was EUR 0.3 million (EUR 0.3 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 primary role is to generate high quality leads and targeted advertisement space by providing relevant and engaging content to users interested in sports, gaming, gambling and betting.

## STOCK MARKET

Raketech Group Holding PLC 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 37,413,633. The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

## SIGNIFICANT RISKS AND UNCERTAINTIES

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

public authorities or others, which could be extended to any third-party having abetted the business of such remote gaming operators.

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

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

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

## SUPPLEMENTAL INFORMATION

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

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

## Upcoming Dates

|               |                                    |
|---------------|------------------------------------|
| <b>17 MAY</b> | <b>ANNUAL GENERAL MEETING 2021</b> |
| <b>17 AUG</b> | <b>INTERIM REPORT APR-JUN 2021</b> |
| <b>10 NOV</b> | <b>INTERIM REPORT JUL-SEP 2021</b> |

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

# Condensed Consolidated Statement of Comprehensive Income

| EUR thousands   | Notes | Jan-Mar<br>2021 | Jan-Mar<br>2020 | Jan-Dec<br>2020 |
|---|-------|-----------------|-----------------|-----------------|
| <b>Total Revenue</b>  | 3     | <b>8,279</b>    | 6,538           | 29,394          |
| Direct costs relating to fixed fees and commission revenue  |       | <b>(2,875)</b>  | (1,585)         | (7,923)         |
| Employee benefit expense  |       | <b>(1,153)</b>  | (1,341)         | (5,334)         |
| Depreciation, amortisation and impairment   |       | <b>(1,644)</b>  | (1,261)         | (5,407)         |
| Loss allowance on trade receivables   |       | -               | (120)           | 389             |
| Bad debts written-off   |       | <b>(3)</b>      | (3)             | (604)           |
| Other operating expenses  |       | <b>(1,043)</b>  | (861)           | (3,891)         |
| <b>Total operating expenses</b>   |       | <b>(6,718)</b>  | (5,171)         | (22,770)        |
| <b>Operating profit</b>   |       | <b>1,561</b>    | 1,367           | 6,624           |
| Other non-operating income  | 4     | -               | -               | 360             |
| Revaluation of financial liabilities at fair value through profit or loss   | 6     | <b>(61)</b>     | -               | -               |
| Finance costs   |       | <b>(307)</b>    | (235)           | (930)           |
| <b>Profit before tax</b>  |       | <b>1,193</b>    | 1,132           | 6,054           |
| Tax expense   |       | <b>(61)</b>     | (75)            | (459)           |
| <b>Profit for the period/ year – Total comprehensive income</b>   |       | <b>1,132</b>    | 1,057           | 5,595           |
| <b>Total comprehensive income attributable to:</b>  |       |                 |                 |                 |
| Equity holders of the Parent Company  |       | <b>1,133</b>    | 1,077           | 5,617           |
| Non-controlling interest  |       | <b>(1)</b>      | (20)            | (22)            |
| <b>Earnings per share attributable to the equity holders of the Parent during the period/year (expressed in Euro per share)</b> |       |                 |                 |                 |
| <b>Earnings per share before dilution</b>   |       | <b>0.03</b>     | 0.03            | 0.15            |
| <b>Earnings per share after dilution</b>  |       | <b>0.03</b>     | 0.03            | 0.15            |

# Condensed Consolidated Statement of Financial Position

| EUR thousands                                       | Notes | 31 Mar<br>2021 | 31 Mar<br>2020 | 31 Dec<br>2020 |
|---|-------|----------------|----------------|----------------|
| <b>Assets</b>                                       |       |                |                |                |
| <b>Non-current Assets</b>                           |       |                |                |                |
| Goodwill  | 4     | 286            | 286            | 286            |
| Intangible assets                                   | 4     | 83,204         | 74,142         | 80,868         |
| Right of use assets                                 |       | -              | 275            | -              |
| Property, plant and equipment                       |       | 29             | 104            | 28             |
| Other receivables                                   |       | 260            | -              | 260            |
| <b>Total non-current assets</b>                     |       | <b>83,779</b>  | 74,807         | 81,442         |
| <b>Current assets</b>                               |       |                |                |                |
| Trade and other receivables                         |       | 4,725          | 4,357          | 4,916          |
| Cash and cash equivalents                           |       | 4,024          | 3,247          | 4,966          |
| <b>Total current assets</b>                         |       | <b>8,749</b>   | 7,604          | 9,882          |
| <b>TOTAL ASSETS</b>                                 |       | <b>92,528</b>  | 82,411         | 91,324         |
| <b>Equity &amp; Liabilities</b>                     |       |                |                |                |
| <b>Equity</b>                                       |       |                |                |                |
| Share capital                                       | 7     | 75             | 76             | 75             |
| Share premium                                       |       | 39,387         | 39,387         | 39,387         |
| Other reserves                                      | 7     | 629            | 486            | 599            |
| Retained earnings                                   |       | 31,897         | 26,172         | 30,765         |
| <b>Equity attributable to owners of the Company</b> |       | <b>71,988</b>  | 66,121         | 70,826         |
| Non-controlling interests                           |       | 1              | 55             | 1              |
| <b>TOTAL EQUITY</b>                                 |       | <b>71,989</b>  | 66,176         | 70,827         |
| <b>Liabilities</b>                                  |       |                |                |                |
| <b>Non-current liabilities</b>                      |       |                |                |                |
| Borrowings  | 5     | -              | 3,369          | -              |
| Deferred tax liability                              |       | 1,613          | 1,169          | 1,552          |
| Lease liabilities                                   |       | -              | 122            | -              |
| Amounts committed on acquisition                    | 6     | 10,068         | 5,369          | 8,679          |
| <b>Total non-current liabilities</b>                |       | <b>11,681</b>  | 10,029         | 10,231         |
| <b>Current liabilities</b>                          |       |                |                |                |
| Borrowings  | 5     | -              | -              | 1,931          |
| Amounts committed on acquisition                    | 6     | 6,124          | 4,264          | 5,913          |
| Lease liabilities                                   |       | -              | 156            | -              |
| Trade and other payables                            |       | 2,734          | 1,770          | 2,422          |
| Current tax liabilities                             |       | -              | 16             | -              |
| <b>Total current liabilities</b>                    |       | <b>8,858</b>   | 6,206          | 10,266         |
| <b>TOTAL LIABILITIES</b>                            |       | <b>20,539</b>  | 16,235         | 20,497         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |       | <b>92,528</b>  | 82,411         | 91,324         |

The notes on pages 10 to 13 are an integral part of these condensed consolidated financial statements.

The condensed consolidated financial statements on pages 6 to 15 were approved for publication by the Board of Directors on 12 May 2021 and were signed on the Board of Directors' behalf by:

Erik Skarp, Board member

Johan Svensson, Board member



# Condensed Consolidated Statement of Changes in Equity

| EUR thousands                         | Note | Share Capital | Share Premium | Other Reserves | Retained Earnings | Total Equity attributable to Owners of the Company | NCI         | Total Equity  |
|---------------------------------------|------|---------------|---------------|----------------|-------------------|--|-------------|---------------|
| Balance at 1 January 2021             |      | 75            | 39,387        | 599            | 30,765            | 70,826   | 1           | 70,827        |
| <b>Comprehensive income</b>           |      |               |               |                |                   |  |             |               |
| Profit for the year                   |      | -             | -             | -              | 1,133             | 1,133  | (1)         | 1,132         |
| Other comprehensive income            |      | -             | -             | 1              | -                 | 1  | -           | 1             |
|                                       |      | -             | -             | 1              | 1,133             | 1,134  | (1)         | 1,133         |
| <b>Transactions with owners</b>       |      |               |               |                |                   |  |             |               |
| Equity-settled share-based payments   |      | -             | -             | 29             | -                 | 29   | -           | 29            |
| Other transactions with NCI           |      | -             | -             | -              | (1)               | (1)  | 1           | -             |
| <b>Total transactions with owners</b> |      | -             | -             | 29             | (1)               | 28   | 1           | 29            |
| <b>Balance at 31 March 2021</b>       |      | <b>75</b>     | <b>39,387</b> | <b>629</b>     | <b>31,897</b>     | <b>71,988</b>                                      | <b>1</b>    | <b>71,989</b> |
| Balance at 1 January 2020             |      | 76            | 39,387        | 428            | 25,115            | 65,006   | 55          | 65,061        |
| <b>Comprehensive income</b>           |      |               |               |                |                   |  |             |               |
| Profit for the year                   |      | -             | -             | -              | 1,077             | 1,077  | (20)        | 1,057         |
| <b>Transactions with owners</b>       |      |               |               |                |                   |  |             |               |
| Equity-settled share-based payments   |      | -             | -             | 58             | -                 | 58   | -           | 58            |
| Other transactions with NCI           |      | -             | -             | -              | (20)              | (20)   | 20          | -             |
| <b>Total transactions with owners</b> |      | -             | -             | 58             | (20)              | 38   | 20          | 58            |
| <b>Balance at 31 March 2020</b>       |      | <b>76</b>     | <b>39,387</b> | <b>486</b>     | <b>26,172</b>     | <b>66,121</b>                                      | <b>55</b>   | <b>66,176</b> |
| Balance at 1 January 2020             |      | 76            | 39,387        | 428            | 25,115            | 65,006   | 55          | 65,061        |
| <b>Comprehensive income</b>           |      |               |               |                |                   |  |             |               |
| Profit for the year                   |      | -             | -             | -              | 5,617             | 5,617  | (22)        | 5,595         |
| <b>Transactions with owners</b>       |      |               |               |                |                   |  |             |               |
| Equity-settled share-based payments   |      | -             | -             | 180            | -                 | 180  | -           | 180           |
| Acquisition of treasury shares        | 7    | (1)           | -             | 1              | -                 | -  | -           | -             |
| Acquisition of NCI                    |      | -             | -             | (10)           | 55                | 45   | (54)        | (9)           |
| Other transactions with NCI           |      | -             | -             | -              | (22)              | (22)   | 22          | -             |
| <b>Total transactions with owners</b> |      | <b>(1)</b>    | <b>-</b>      | <b>171</b>     | <b>33</b>         | <b>203</b>   | <b>(32)</b> | <b>171</b>    |
| <b>Balance at 31 December 2020</b>    |      | <b>75</b>     | <b>39,387</b> | <b>599</b>     | <b>30,765</b>     | <b>70,826</b>                                      | <b>1</b>    | <b>70,827</b> |

The notes on pages 10 to 13 are an integral part of these condensed consolidated financial statements.

# Condensed Consolidated Statement of Cash Flows

| EUR thousands   | Notes | Jan-Mar<br>2021 | Jan-Mar<br>2020 | Jan-Dec<br>2020 |
|---|-------|-----------------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                               |       |                 |                 |                 |
| Profit before tax   |       | 1,193           | 1,132           | 6,054           |
| Adjustments for:  |       |                 |                 |                 |
| Depreciation, amortisation and impairment                                 |       | 1,644           | 1,261           | 5,407           |
| Loss allowance  |       | -               | 120             | (389)           |
| Bad debts written-off   |       | 3               | 3               | 604             |
| Net finance cost  |       | 307             | 235             | 930             |
| Equity-settled share-based payment transactions                           |       | 29              | 58              | 180             |
| Revaluation of financial liabilities at fair value through profit or loss | 6     | 61              | -               | -               |
| Profit/loss on disposal of intangible assets                              |       | -               | -               | (348)           |
| Net exchange differences  |       | 1               | -               | -               |
|   |       | <b>3,238</b>    | <b>2,809</b>    | <b>12,438</b>   |
| Net income taxes paid   |       | -               | -               | (313)           |
| Changes in:   |       |                 |                 |                 |
| Trade and other receivables   |       | 189             | (331)           | (460)           |
| Trade and other payables  |       | 351             | 97              | 750             |
| <b>Net cash generated from operating activities</b>                       |       | <b>3,778</b>    | <b>2,575</b>    | <b>12,415</b>   |
| <b>Cash flows from investing activities</b>                               |       |                 |                 |                 |
| Acquisition of property, plant and equipment                              |       | (6)             | (5)             | (23)            |
| Acquisition of intangible assets  |       | (2,668)         | (3,414)         | (13,199)        |
| Proceeds from sale of property, plant and equipment                       |       | -               | 1               | 1               |
| Proceeds from sale of intangible assets                                   |       | -               | -               | 3,414           |
| <b>Net cash used in investing activities</b>                              |       | <b>(2,674)</b>  | <b>(3,418)</b>  | <b>(9,807)</b>  |
| <b>Cash flows from financing activities</b>                               |       |                 |                 |                 |
| Repayments of borrowings  |       | (2,000)         | -               | (1,500)         |
| Transactions with NCI   |       | -               | -               | (10)            |
| Lease payments  |       | -               | (45)            | (120)           |
| Interest paid   |       | (46)            | (56)            | (202)           |
| <b>Net cash used in financing activities</b>                              |       | <b>(2,046)</b>  | <b>(101)</b>    | <b>(1,833)</b>  |
| Net movements in cash and cash equivalents                                |       | (942)           | (944)           | 775             |
| Cash and cash equivalents at the beginning of the period/year             |       | 4,966           | 4,191           | 4,191           |
| <b>Cash and cash equivalents at the end of the period/year</b>            |       | <b>4,024</b>    | <b>3,247</b>    | <b>4,966</b>    |

The notes on pages 10 to 13 are an integral part of these condensed consolidated financial statements.

# Notes to the Condensed Consolidated Financial Statements

## 1 REPORTING ENTITY

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

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

## 2 ACCOUNTING POLICIES

Raketech prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. These condensed financial statements are prepared in accordance with IAS 34, Financial Reporting, and under the historical expense convention, as modified by the fair valuation of financial liabilities measured at fair value through profit and loss. The principal accounting policies applied in the preparation of the Group's condensed consolidated financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2020 which is publicly available. The Parent Company applies the same accounting principles as the Group.

Other than the earnings per share before and after dilution which are expressed in Euro (EUR), all other amounts are expressed in thousand Euro (EUR) or as otherwise indicated. Amounts or figures in parenthesis indicate comparative figures for the corresponding period last year. The 2020 Annual Report is available on Raketech's website.

### 2.1 Working capital deficiency

During the quarter, Raketech has operated with a net cash balance. As at 31 March 2021, the Group is in a net current liability position of € 0.1 million. The Group expects to remedy this position by way of its expected positive cash generation during the coming months.

### 2.2 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 2021, were not deemed to have a significant impact on Raketech's financial statements.

### 2.3 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. The Group will continue to carry out regular impairment testing and does not consider that the intangible assets as of 31 March 2021 are impaired. Further, IFRS 9 also requires impairment considerations to be performed for trade receivables on an ongoing basis. Judgement for these is highly subjective and needs to be done in the light of the payment patterns and current market conditions. Continued assessments are being done by management of the adequacy of the provisions to assess the carrying amount of trade receivables.

More information on where critical judgements are generally applied and where estimation uncertainty exists can be found in the Annual Report 2020, Note 3.

### 3 REVENUES

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

The revenue for Raketechn in the respective periods in 2021 and 2020 is further analysed as follows:

| EUR thousands            | Jan-Mar<br>2021 | Jan-Mar<br>2020 | Change | Jan-Dec<br>2020 |
|--------------------------|-----------------|-----------------|--------|-----------------|
| <b>Revenue</b>           | <b>8,279</b>    | 6,538           | 26.6%  | 29,394          |
| Commissions <sup>1</sup> | <b>6,910</b>    | 5,599           | 23.4%  | 24,878          |
| Flat fees                | <b>1,369</b>    | 939             | 45.8%  | 4,516           |

<sup>1</sup> The total amount of commissions includes revenue from Rapidi, which is classified as revenue share.

### 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 the Group monitors and manages its operations as one business unit. For further description, please refer to the Annual Report Note 15.

| EUR thousands  | Domains<br>and<br>websites | Player<br>databases | Other<br>intellectual<br>property | Technical<br>platform | Software     | Goodwill   | Total           |
|--|----------------------------|---------------------|-----------------------------------|-----------------------|--------------|------------|-----------------|
| Cost at 1 January 2021   | 69,806                     | 7,036               | 13,704                            | 1,062                 | 562          | 286        | 92,456          |
| Additions (including adjustments arising as a result of a change in estimates) | 1,181                      | 819                 | 1,976                             | -                     | -            | -          | 3,976           |
| <b>Cost as at 31 March 2021</b>  | <b>70,987</b>              | <b>7,855</b>        | <b>15,680</b>                     | <b>1,062</b>          | <b>562</b>   | <b>286</b> | <b>96,432</b>   |
| Accumulated amortisation and impairment at 1 January 2021                      | (40)                       | (4,411)             | (6,231)                           | (177)                 | (443)        | -          | (11,302)        |
| Amortisation charge  | -                          | (430)               | (1,137)                           | (53)                  | (20)         | -          | (1,640)         |
| <b>Amortisation and impairment as at 31 March 2021</b>                         | <b>(40)</b>                | <b>(4,841)</b>      | <b>(7,368)</b>                    | <b>(230)</b>          | <b>(463)</b> | <b>-</b>   | <b>(12,942)</b> |
| <b>Carrying amount as at 31 March 2021</b>                                     | <b>70,947</b>              | <b>3,014</b>        | <b>8,312</b>                      | <b>832</b>            | <b>99</b>    | <b>286</b> | <b>83,490</b>   |
| Carrying amount as at 31 March 2020  | 64,208                     | 2,424               | 6,266                             | 1,058                 | 186          | 286        | 74,428          |

On November 6, 2020 Raketechn announced that the company has divested its consumer finance assets to ROI Media UK, an unrelated third party, for a total consideration of EUR 4.2 million, with an upfront payment of EUR 3.4 million and a deferred consideration of EUR 0.8 million payable in three instalments over the upcoming 18 months. The consumer finance assets were acquired by Raketechn in 2017 and 2018 for a total consideration of EUR 3.8 million. The gain from the sale of the asset was reported under Other non-operating income in the fourth quarter of 2020.

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 December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of EUR 10 million. The termination date for the credit facility is December 20, 2021. In March 2021, the utilised amount of the credit facility amounting to EUR 2.0 million was repaid in full, and the utilised credit as of 31 March 2021 amounts to EUR 0.0 million (EUR 3.5 million).

The revolving credit facility will remain in place until its termination date on 20 December, 2021.

## 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. 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  | <i>Jan-Mar</i><br><b>2021</b> | <i>Jan-Mar</i><br><b>2020</b> | <i>Jan-Dec</i><br><b>2020</b> |
|--|-------------------------------|-------------------------------|-------------------------------|
| Opening balance  | <b>14,592</b>                 | 10,682                        | 10,682                        |
| Acquisitions during the period/year                      | -                             | 372                           | 372                           |
| Settlements/setoffs                                      | <b>(2,668)</b>                | (2,014)                       | (6,723)                       |
| Notional interest charge                                 | <b>231</b>                    | 160                           | 648                           |
| Adjustments arising as a result of a change in estimates | <b>4,037</b>                  | 433                           | 9,613                         |
| <b>Closing balance</b>                                   | <b>16,192</b>                 | 9,633                         | 14,592                        |

The earn-out condition related to Lead Republik Ltd is uncapped, based on future performance up until 28 February 2022. Management's best estimate of the total contingent consideration for these assets amounted to EUR 0.5 million (EUR 0.4 million) as of 31 March 2021.

The earn-out condition relating to Casumba is partly capped to a maximum of EUR 0.8 million until 31 December 2021, and part of the earnout is uncapped, based on future performance up until 31 July 2024. Management's best estimate of the total contingent consideration for these assets amounted to EUR 8.6 million (EUR 2.9 million) as of 31 March 2021.

The contingent consideration related to Casinofeber is uncapped, based on future performance up until 28 February 2023. Management's best estimate of the total contingent consideration for these assets amounted to EUR 7.0 million (EUR 6.3 million) as of 31 March 2021.

All contingent considerations for the assets have been recognised in the condensed consolidated statement of financial position according to management's best estimate. The change in estimates according to the table above is related to contingent consideration for Casinofeber, Casumba and Lead Republik. The increase in the contingent consideration for Lead Republik amounting to EUR 0.1 million was recognised in the condensed consolidated statement of comprehensive income as Revaluation of financial liabilities at fair value through profit or loss.

The adjustment to reflect the total impact of discounting in the condensed consolidated statement of financial position, amounted to EUR 0.2 million (EUR 0.2 million) for the first quarter of 2021. Of the amounts recognised in the condensed consolidated statement of financial position at 31 March 2021, EUR 6.1 million is considered to fall due for payment within less than 12 months from the end of the reporting period. The current debt will be settled through expected cash generation during 2021.

**7 TREASURY SHARES**

During 2019, a programme to buy-back shares was initiated and was terminated until further notice, after the decision taken by the Board of Directors during the fourth quarter of 2019. On 23 June 2020, all 487,000 shares were cancelled. The cancellation of shares has been reflected in Other reserves.

**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  | <i><b>Jan-Mar<br/>2021</b></i> | <i><b>Jan-Mar<br/>2020</b></i> | <i><b>Jan-Dec<br/>2020</b></i> |
|--|--------------------------------|--------------------------------|--------------------------------|
| <b>Revenue</b>   | <b>337</b>                     | 496                            | 1,744                          |
| <b>Expenses</b>  |                                |                                |                                |
| Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors | <b>675</b>                     | 664                            | 2,421                          |
| <b>Amounts owed to related parties</b>   | <b>104</b>                     | 126                            | 137                            |
| <b>Amounts owed by related parties</b>   | <b>103</b>                     | 235                            | 146                            |

# Condensed Statement of Comprehensive Income – Parent Company

| EUR thousands   | <b>Jan-Mar<br/>2021</b> | <b>Jan-Mar<br/>2020</b> | <b>Jan-Dec<br/>2020</b> |
|---|-------------------------|-------------------------|-------------------------|
| Employee benefit expense                                      | <b>(205)</b>            | (142)                   | (517)                   |
| Other operating expenses                                      | <b>(13)</b>             | (40)                    | (99)                    |
| <b>Total operating expenses</b>                               | <b>(218)</b>            | (182)                   | (617)                   |
| <b>Operating loss</b>   | <b>(218)</b>            | (182)                   | (617)                   |
| Finance costs   | <b>(76)</b>             | (70)                    | (279)                   |
| <b>Loss for the period/year – total comprehensive expense</b> | <b>(294)</b>            | (252)                   | (896)                   |

# Condensed Statement of Financial Position – Parent Company

| EUR thousands                            | 31 Mar 2021   | 31 Mar 2020 | 31 Dec 2020 |
|--|---------------|-------------|-------------|
| <b>Assets</b>                            |               |             |             |
| <b>Non - current assets</b>              |               |             |             |
| Investment in subsidiaries               | 3,152         | 3,152       | 3,152       |
| Trade and other receivables              | 37,699        | 41,794      | 39,904      |
| <b>Total non-current assets</b>          | <b>40,851</b> | 44,946      | 43,056      |
| <b>Current assets</b>                    |               |             |             |
| Cash and cash equivalents                | 70            | 178         | 70          |
| <b>Total current assets</b>              | <b>70</b>     | 178         | 70          |
| <b>TOTAL ASSETS</b>                      | <b>40,921</b> | 45,124      | 43,127      |
| <b>Equity &amp; Liabilities</b>          |               |             |             |
| <b>Equity</b>                            |               |             |             |
| Share capital                            | 75            | 76          | 75          |
| Share premium                            | 41,603        | 41,603      | 41,603      |
| Other reserves                           | (310)         | (462)       | (377)       |
| (Accumulated losses) / Retained earnings | (466)         | 472         | (172)       |
| <b>Total Equity</b>                      | <b>40,902</b> | 41,689      | 41,128      |
| <b>Liabilities</b>                       |               |             |             |
| <b>Non-current liabilities</b>           |               |             |             |
| Borrowings                               | -             | 3,369       | -           |
| <b>Total non-current liabilities</b>     | <b>-</b>      | 3,369       | -           |
| <b>Current liabilities</b>               |               |             |             |
| Trade and other payables                 | 19            | 66          | 67          |
| Borrowings                               | -             | -           | 1,931       |
| <b>Total current liabilities</b>         | <b>19</b>     | 66          | 1,998       |
| <b>Total liabilities</b>                 | <b>19</b>     | 3,435       | 1,998       |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <b>40,921</b> | 45,124      | 43,127      |



# 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, 12 May 2021

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**OSKAR MÜHLBACH**

*CEO*

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**CHRISTIAN LUNDBERG**

*Chairman of the Board*

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**JOHAN SVENSSON**

*Board member*

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**PATRIK BLOCH**

*Board member*

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**FREDRIK SVEDERMAN**

*Board member*

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**ERIK SKARP**

*Board member*

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**ANNIKA BILLBERG**

*Board member*

Presentation for investors, analysts and the media: CEO Oskar Mühlbach and CFO Måns Svalborn will present the report and answer questions at 09.00 a.m. CET on 12 May 2021.

The presentation will be held in English and can be followed online via: <https://tv.streamfabriken.com/raketech-q1-2021>

To participate in the call, please dial:

+46 850 558 373 (SE)

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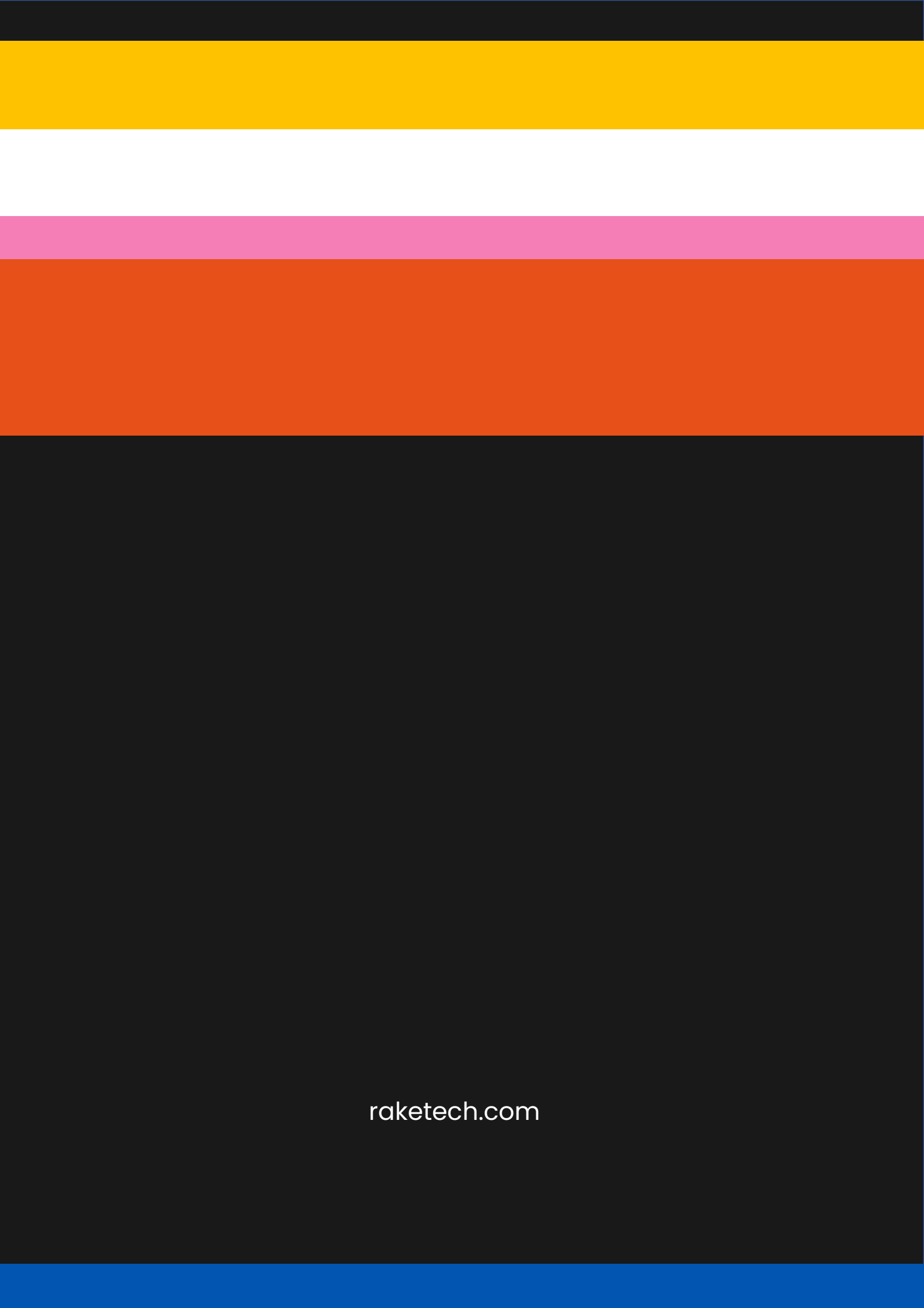
+1 833 823 0589 (US)

This information is such that Raketech Group Holding PLC is required to publish under the EU Market Abuse Regulation. The information was submitted under the auspices of the above contact person for publication at 8.00 a.m. CET on 12 May 2021.

# Definitions of Alternative Performance Measures

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

|                                      |  |
|--------------------------------------|--|
| <b>ADJUSTED EBITDA</b>               | EBITDA adjusted for exceptional 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 exceptional costs  |
| <b>ADJUSTED OPERATING PROFIT</b>     | Operating profit adjusted for exceptional 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>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 adjusted for acquired portfolios and products. Organic growth includes the growth in existing products and the revenue growth related to acquired portfolios and products post acquisition |
| <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   |



[raketech.com](https://raketechnology.com)

