

RAKETECH

Q1 2023 Report Presentation

RAKETECH

Q1 2023

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Oskar Mühlbach
Chief Executive Officer



Måns Svalborn
Chief Financial Officer

Q1 Financial highlights

RECORD REVENUES WITH STRONG EBITDA, DRIVEN BY FAVORABLE MARKET MIX AND SCALE

- All revenue increase is true organic growth
- Affiliation marketing in ROW and Nordics as well as Sub-affiliation standing out positively
- Non-Nordic revenues ATH at 63.5% of total (57.6%)
- Nordic absolute growth of 6.9%
- Favorable product and market mix pushing margin up compared to previous quarter
- Significant cash flow increase as from March, relating to the Casinofeber final earn out settlement. Full effect expected to be shown in Q2 and onwards.

15.8m

REVENUE

Y +24.4%

Q +0.6%

6.1m

EBITDA

Y +20.1%

Q -3.4%

24.4%

ORG. GROWTH

Q +0.6%

0.07

EUR EPS

Y +22.6%

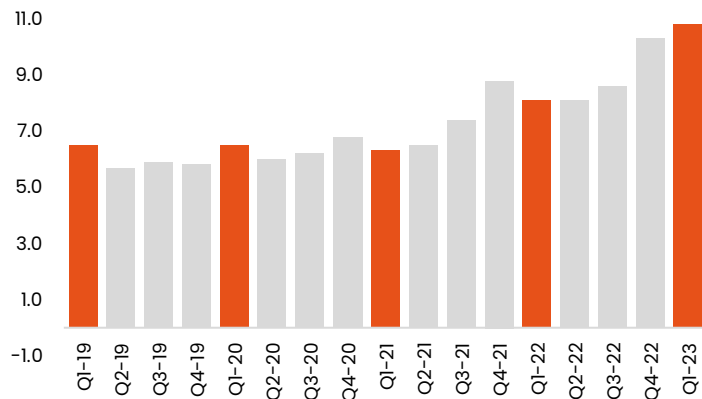
Q +0.0% (Adj.)

Q1 Operational highlights

Affiliation marketing

Performance marketing and lead generation provided for operators via Raketech owned assets. CPA, Revshare, Listing fees

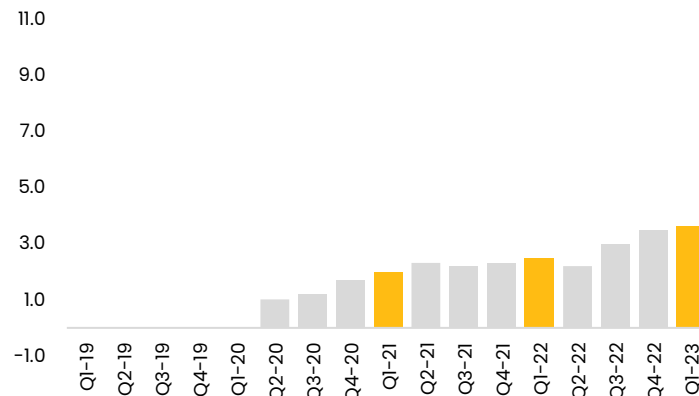
- **31.9% growth YoY**
- Solid op delivery across the board.



Sub-affiliation

SaaS and managed solutions for administration, data analytics, reporting, payments and compliance for affiliates and operators. Commission + fees

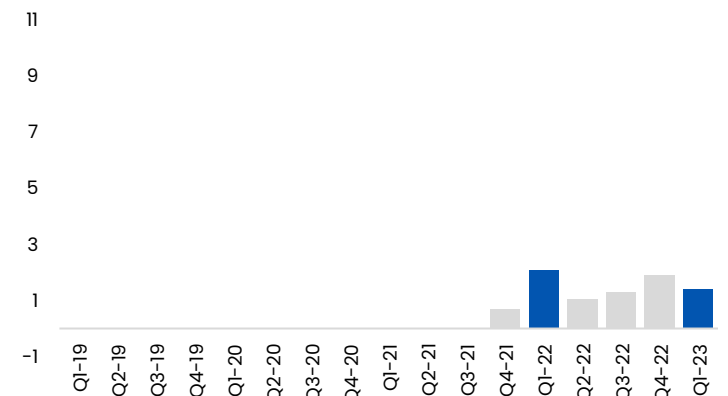
- **46.3% growth YoY**
- Record quarter for Network
 - Appr. 5x post Acquisition
 - Appr. 2x post earn out



Betting tips and advice

Consumer services, tailored sports data insights, analytics and predictions for engaged bettors. Subscription fees and win-share

- **- 30.9% growth YoY**
- Unfavorable tipster outcome lowers win-share component
- Tough comparison numbers YoY



Growth plan momentum

FLAGSHIPS

Invest in quality, additional features and functions and brand



US AFFILIATION

Accelerate US affiliation on the back of tipster assets



AFFILIATION CLOUD

Land grab by increased marketing and hyperfocus on adding value



- ✓ Casinofeber run internally
 - ✓ Smooth transition
 - ✓ Platform update/change planned
 - ✓ Improved cash conversion
- ✓ SlotsJava US versions in the making
- ✓ OnlineCricketBetting, record IPL

- ✓ New MD onboarded
- ✓ Q2 roll out of dedicated affiliation partitions on selected assets
- ✓ Progress, but slower than expected
- ✓ Results expected by end of year, and full effect during 2024

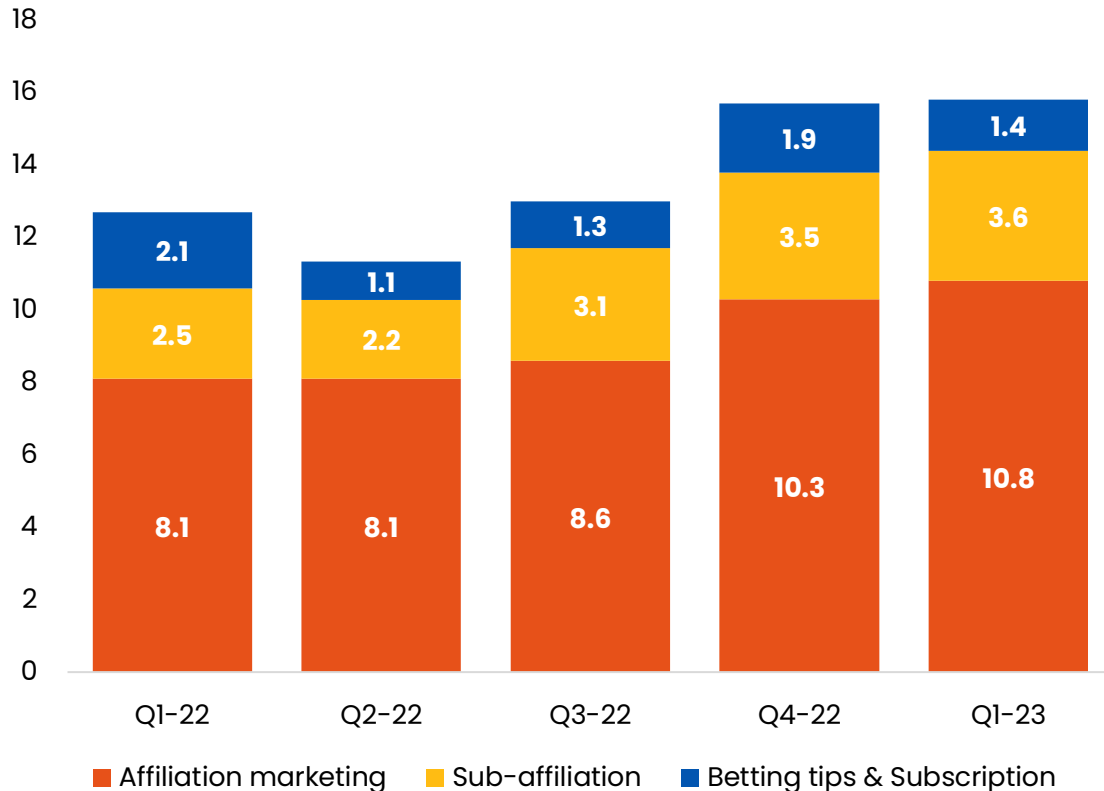
- ✓ Key persons onboarded
- ✓ Affiliationcloud.com launched
- ✓ Backend Admin Portal launched
- ✓ Rapid growth, (from small levels)

Financials Q1 2023

Strong organic growth for flagship assets and sub-affiliation

Revenue streams

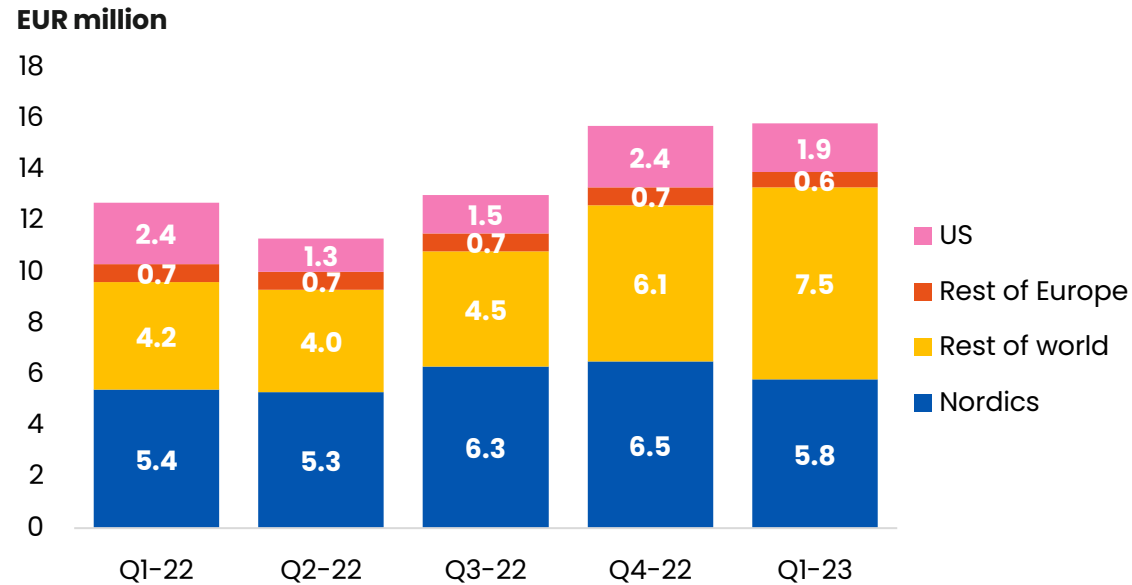
EUR million



- **Affiliation marketing** represents 68% of total revenues in Q1. The quarter saw significant growth in Casumba and continued good performance from larger Nordic assets.
- **Sub-affiliation** amounted to 23% of total revenues in the quarter as LATAM revenues increase.
- **Betting tips & subscription** at 9% of total revenues representing a decline from last year but has limited impact on total revenues.

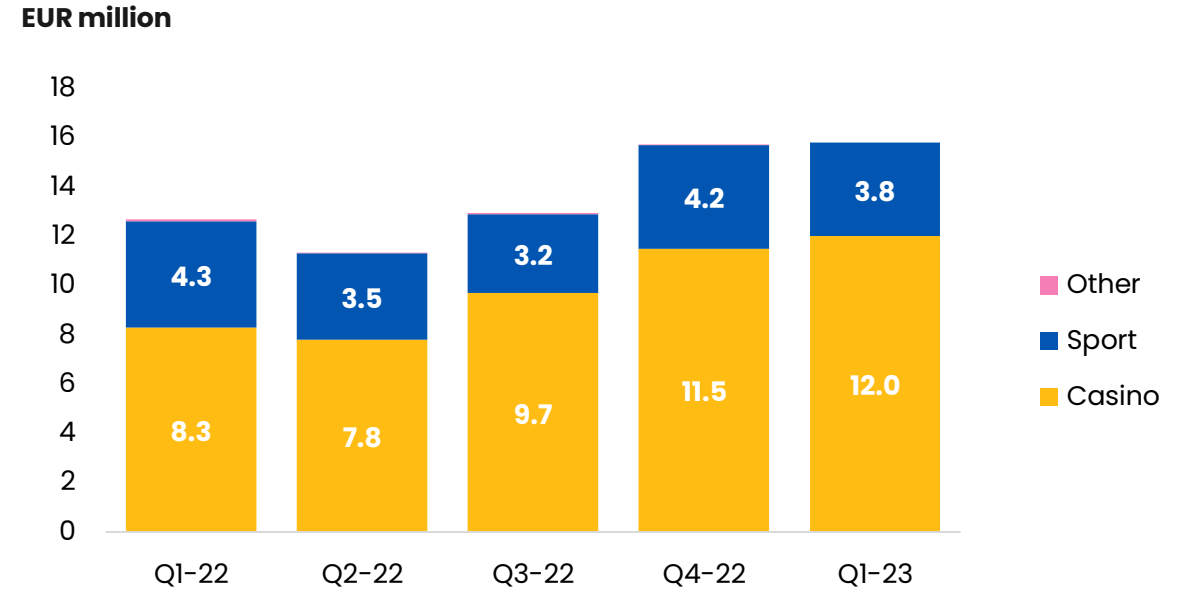
Geographic and vertical diversification

Region split



- **Nordics** continued to perform well in Q1, with Nordics assets leading the way
- **Rest of World** continues with positive trend with above expectations for Casumba and rapid growth in LATAM for Network
- **US** showing a softer quarter with unfavorable win share predictions

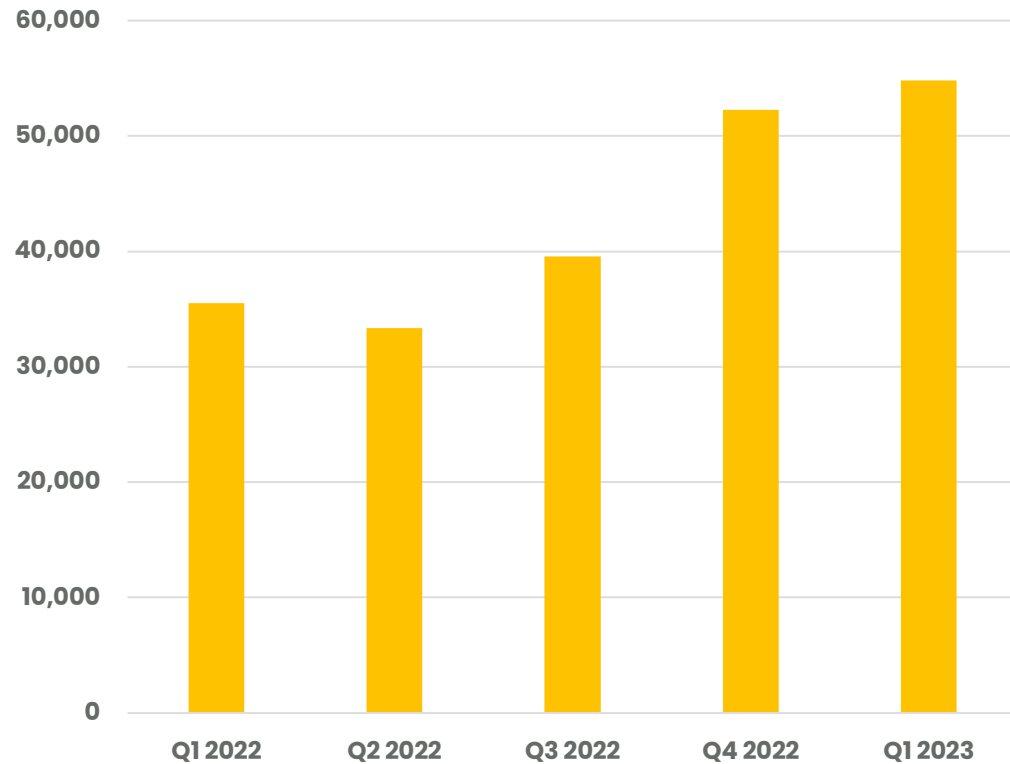
Vertical split



- **Casino** at 76% of total revenues with strong performance from ROW and Sweden coupled with higher share of casino revenues within Network

New Depositing Customers (NDC)

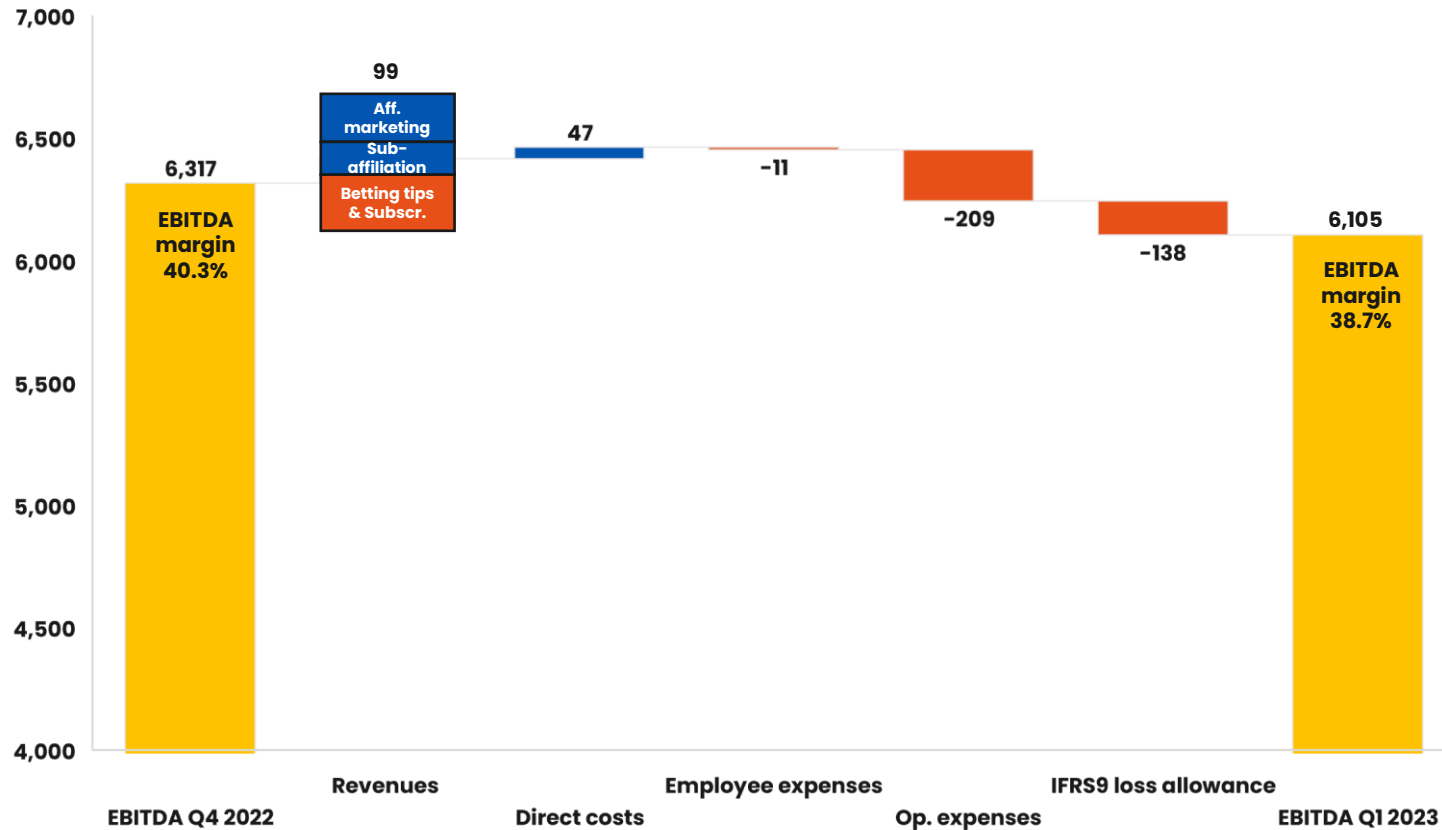
NDCs



- Organic growth for affiliation marketing and sub-affiliation drive continuous stable intake of NDCs
 - NDC development is one of many variables to consider when assessing performance and will vary with market and product mix

EBITDA build up – stable cost base

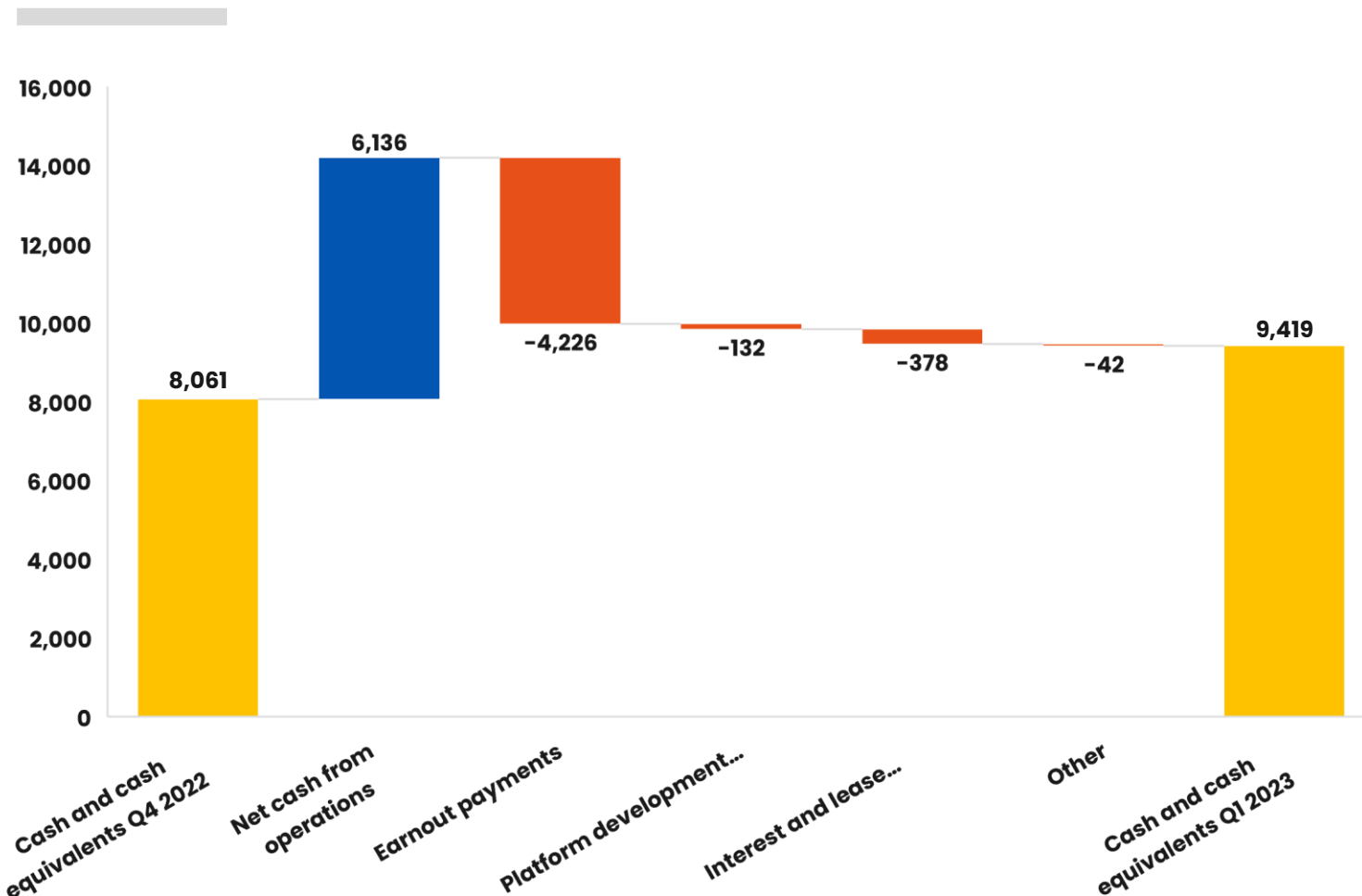
EBITDA development Q1



- **Growth in high margin affiliation** marketing maintains high EBITDA margin
- **Continued stable margin for Sub-affiliation**
- **Generally stable cost base**
 - Slight increase in operational costs related to sub-affiliation
 - Slight increase in product investment
 - One-off consultancy fees somewhat impacting quarter

Cash flow bridge Q1 2023

Cash flow Q1



Cash flow development Q1

- Strong operational cash flow (100% cash conversion)
- EUR 4.2m settled in earnouts
 - Final earnout settled for CasinoFeber
 - Earnouts settled for ATS and Casumba

Free cash flow guidance

- Full year free cash flow guidance of EUR 11-13m reiterated
 - Free cash flow to improve for remainder of 2023 with only minor earnouts to be settled
- Casumba earnout revised following significant growth
 - Performance based up until July 2024
 - Part of earnout payable of up to EUR 15m in 2024. Any remaining amount can be deferred up until September 2026.

Key takeaways and outlook

"A solid start of the year, with stronger margins and cash flow."

Financials

- Revenues of EUR 15.8m
- 24.4% revenue growth YoY
- All growth is organic
- EBITDA of EUR 6.1m
- EBITDA Margin at 38.7%

KPIs and Milestones

- Non-Nordic revenues ATH at to 63.5%, despite Nordics showing good growth
- Subaffiliation, Network in particular record quarter
- Sports 24%, despite soft start in the US

Outlook and way forward

- April revenues EUR 5.9m
- Double down on US affiliation
- All Casinoferber cash flow available as from Q2

→ Reiterated 2023 guidance

Q&A

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Thank you!