

RAKETECH

Q2 Report Presentation

Presenters



Oskar Mühlbach
Chief Executive Officer



Måns Svalborn
Chief Financial Officer

Agenda

01. Quarterly highlights

02. Financials q2 2020

03. Key takeaways

04. Q&A

Q2 Financial Highlights

REVENUE
EUR 7.0m

YoY +24.1%
QoQ. +7.4%

EBITDA
EUR 2.8m

YoY -2.3%
QoQ. +7.5%

ORGANIC GROWTH

YoY -1.2%
QoQ. -2.5%

NDC
40,847

YoY +63.6%
QoQ +26.5%

- Strong growth primarily driven by acquisitions
- Stable EBITDA despite changed product mix and more investments in product development than ever
- Drop in sports revenues mitigated by strong performance from existing casino assets
- July revenues 2.4m

Q2 Market Highlights

10-15%

lost to black market?

10-15%

Less due to lack of sports

Swedish market more and more advanced

- Legislation leaves open goal for black market
- Operators hesitant towards investments due to legislative uncertainty
- Important to diversify to meet competition from other channels

Reduced sports revenues due to Covid-19

- Sports revenue drastically reduced in Q2
- European Championships postponed to next year
- Activity slowly returning

Q2 Market Highlights

iGambling skyrockets globally

- Shift from offline to digital gambling, just like in other industries, fuelled by Covid -19
- Global digital gambling has gone from appr. 13.2% to 17.9% so far
- Digital share estimated close to 70% in Sweden

Boosted revenues outside the Sweden

- Japan delivering growth over expectations
- Recent acquisition Lead Republik performing as planned
- Existing assets in Denmark and Norway delivering strong numbers

36%

Digital gambling
growth jan-aug

19%

Revenues outside
the Nordics

Q2 Operational Highlights

Automate and standardize everything

- Automated SEO audits implemented
- AI top lists now implemented on 30 assets
- Content bank for reuse of best performing content globally
- CasinoGuide (all regions), Indian acquisition and Finnish assets migrated to common platform

Major Google update in May

- Neutral general effect on Raketech portfolio
- Quality and user value premiered
- Product diversification more important than ever

Remote-ish working

- Staff satisfaction all time high
- More development and improvement deliveries than ever
- Applicants per position increased with +400%
- Savings of up to 200k per year in office related costs

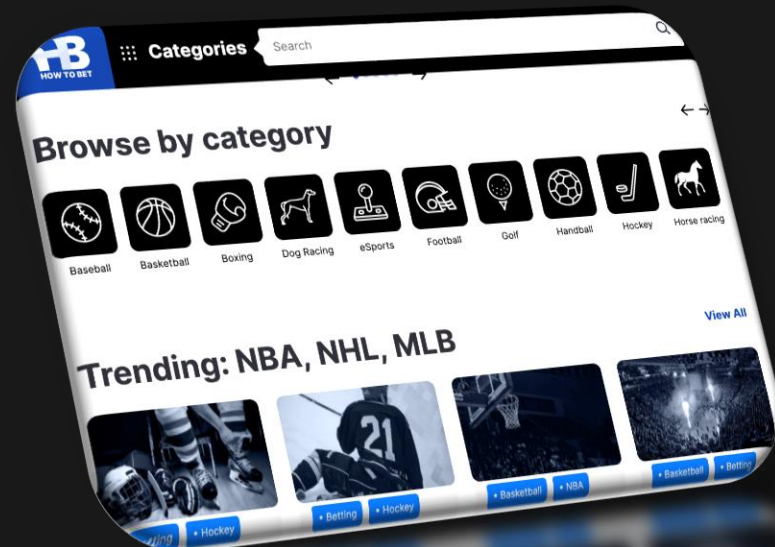
US efforts intensified

- Howtobet.com
- Commercial deals with major operators in place
- Licences in 3 states with positive preliminary decision in 2 more
- TV-sportsguide to be launched in Q4

Q2 Commercial Milestones

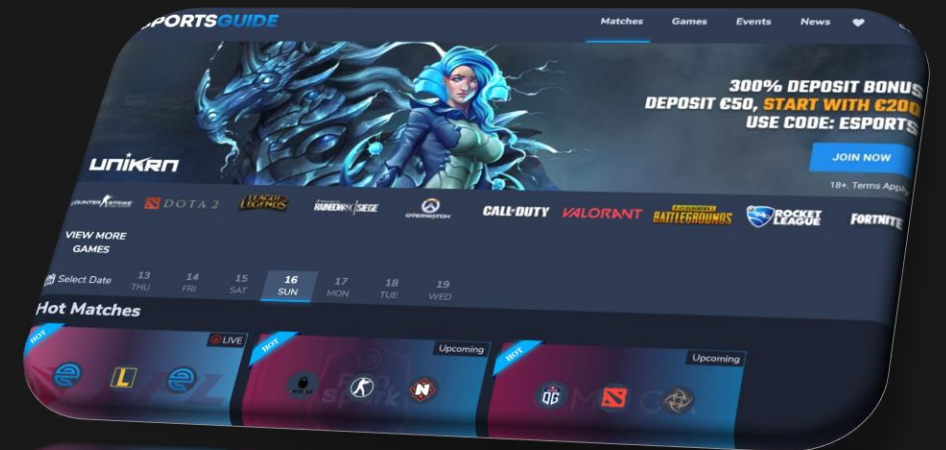
Howtobet.com (NEW!)

- A 360 sports wiki
- Primarily focusing on the US market
- Expected first revenues Q4
- Significant revenues 2021



Relaunch of esportsguide.com

- Continuously growing e-sport audience
- Traffic numbers have increased 10X since January
- Large share from the USA
- Monetization long term



Q2 Commercial Milestones

Extended Audience (NEW!)

- Bespoke programmatic marketing based on Raketech user data
- Test phase with one major operator
- Part of our core offering later this year

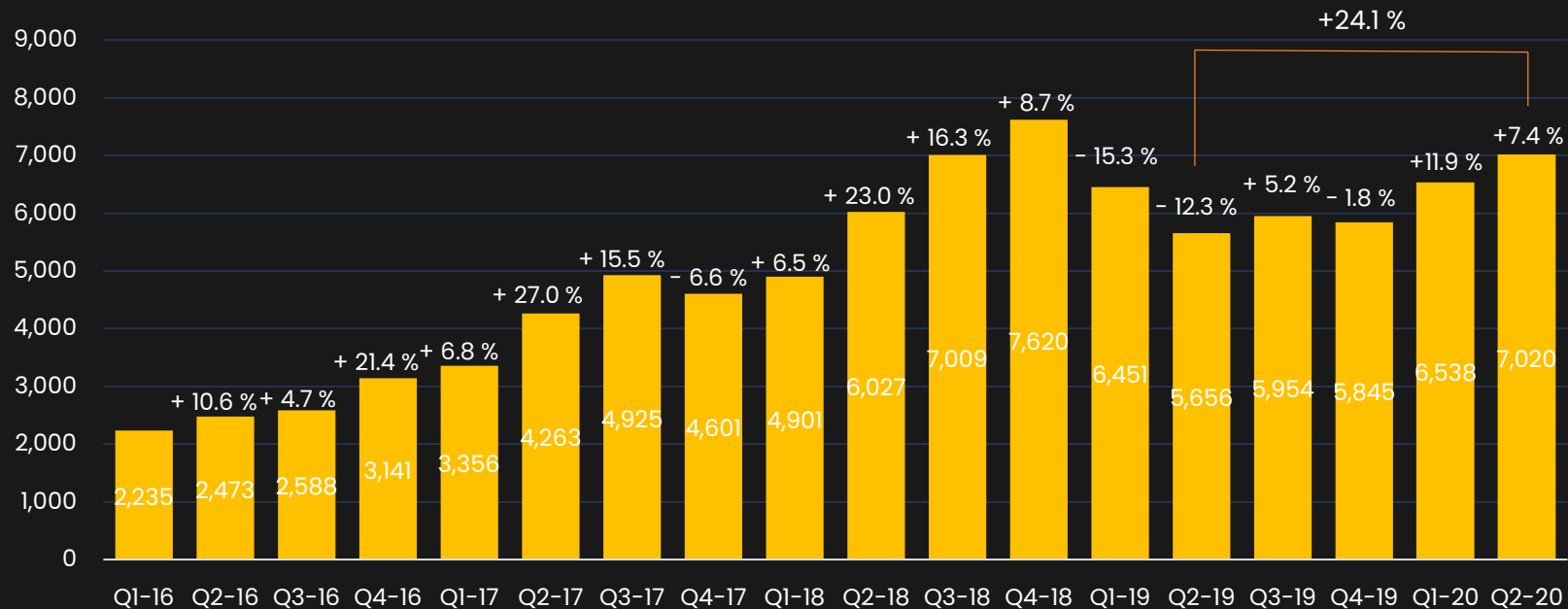
Embedded services/VIP program

- Several market analysis sold
- Industry and Rapidi index available for VIP partners/operators
- Additional major operator contract signed

***“Transforming from ‘affiliation only’ to
The iGaming performance marketing partner”***

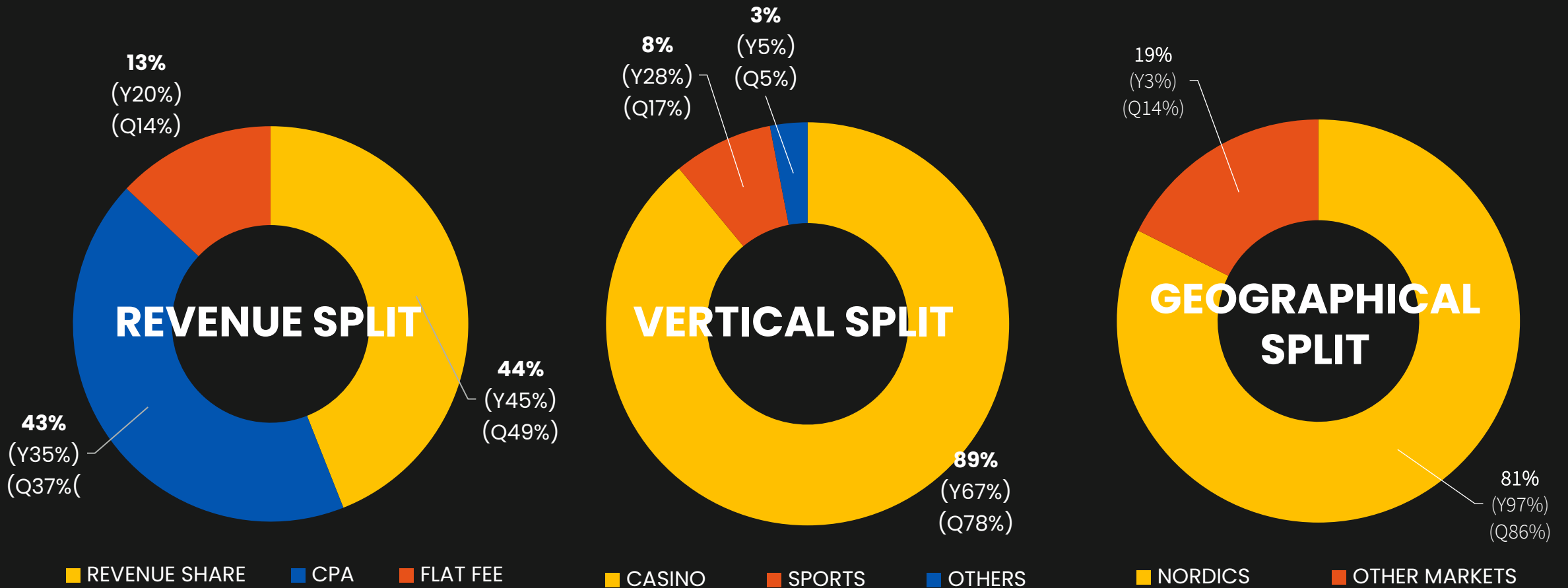
Financials Q2 2020

Revenue development

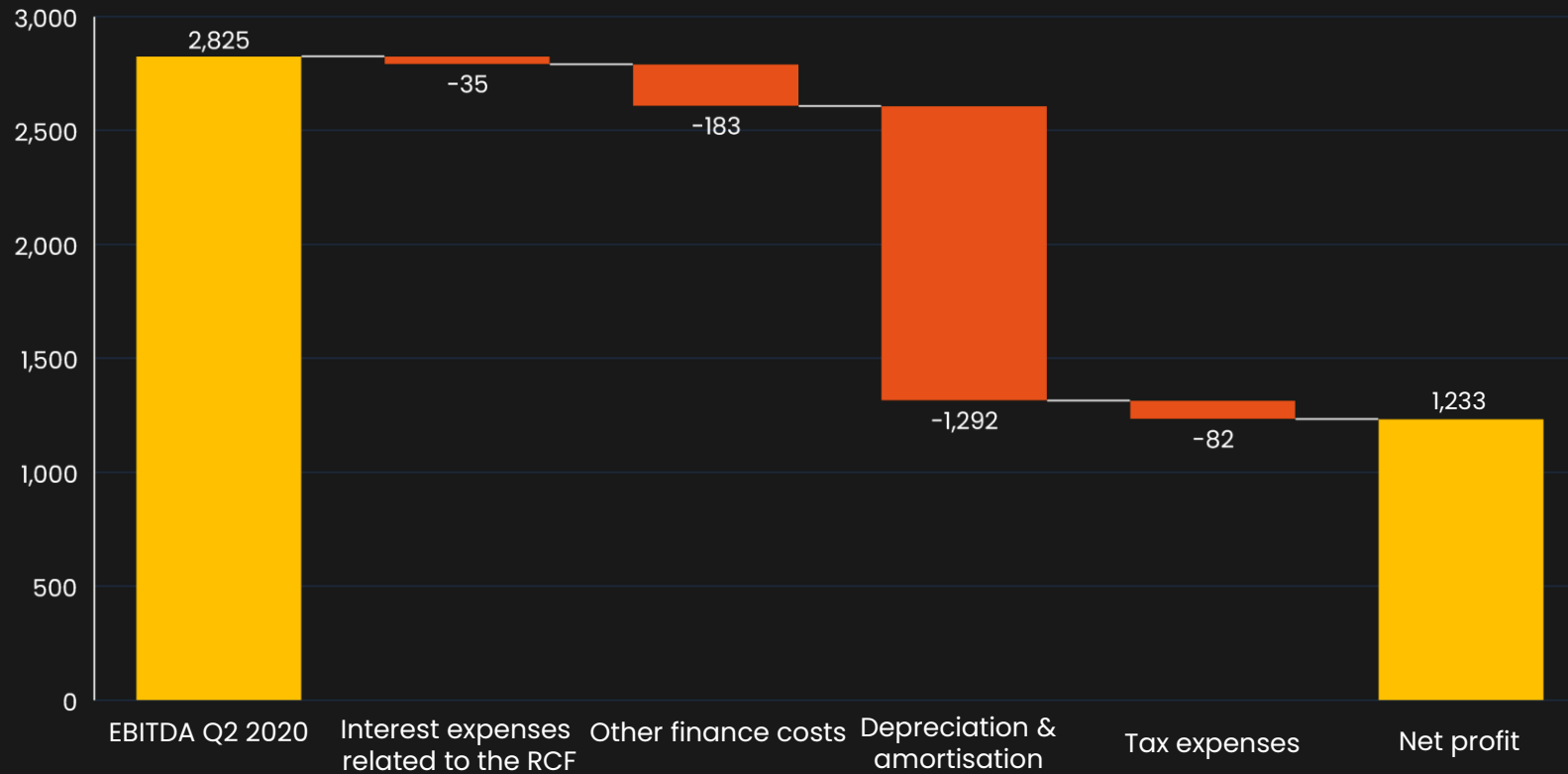


- Revenue growth of 24.1% compared to Q2 of last year
- Organic growth of -1.2% YoY
 - Drop in Sports
 - Seasonality and hesitance from operators in June
- Revenues increase with 7.4% from Q1 2020

Revenue split



EBITDA to net profit bridge Q2



- Only item below EBITDA with cash flow effect relate to loan facility interest expense, which amount to EUR 0.05m during the quarter
- Depreciation amounts to EUR 1.3m for the quarter
- Reported net profit for the quarter amounted to EUR 1.2m

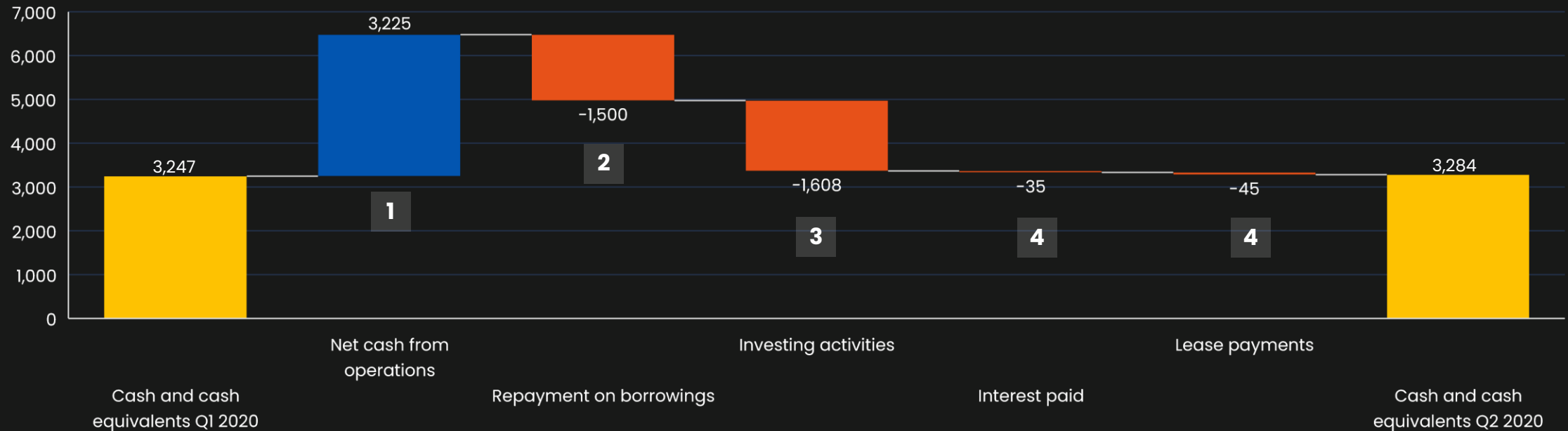
Statement of financial position

- Total assets amounted to EUR 82m, consisting mainly of Intangible assets primarily related to websites, domains, intellectual property and player databases
- Cash and Cash equivalents amounted to EUR 3.3m at the end of the quarter
- Borrowings related to the utilized amount of the loan facility from Swedbank amounted to EUR 1.9m
- Amounts committed of EUR 9.0m consist of the expected earn out liabilities

BALANCE SHEET | 30 June 2020



Cash flow bridge Q1 vs Q2 2020



1

Increased operational cash flow, driven by higher profitability and positive development in working capital

2

1.5m repayment on credit facility

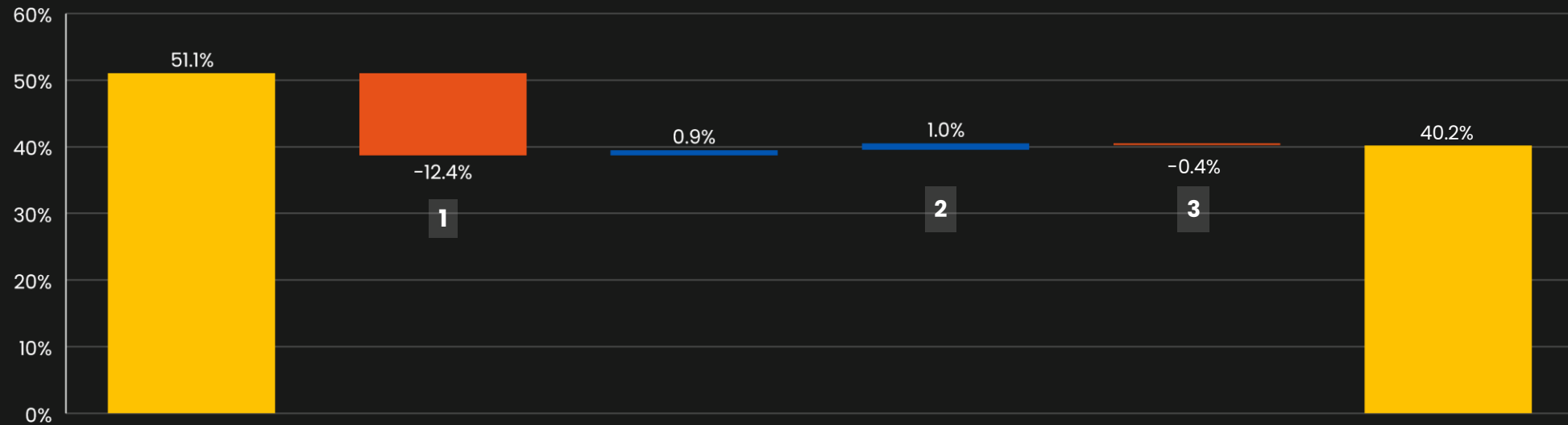
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Investing activities relate to earn-outs during the quarter

4

Interest and lease payments during the quarter amounted to EUR 0.1m

EBITDA-margin Q2 2019 vs. Q2 2020



Reported EBITDA margin Q2 2019

1

New product categories; Lead Republik, Rapidi and Paid Media

Direct costs; New product categories

2

Higher costs with strengthened organization. Current level is however scalable and EBITDA margin improves with increased revenues

Other direct costs

Employee benefit expenses

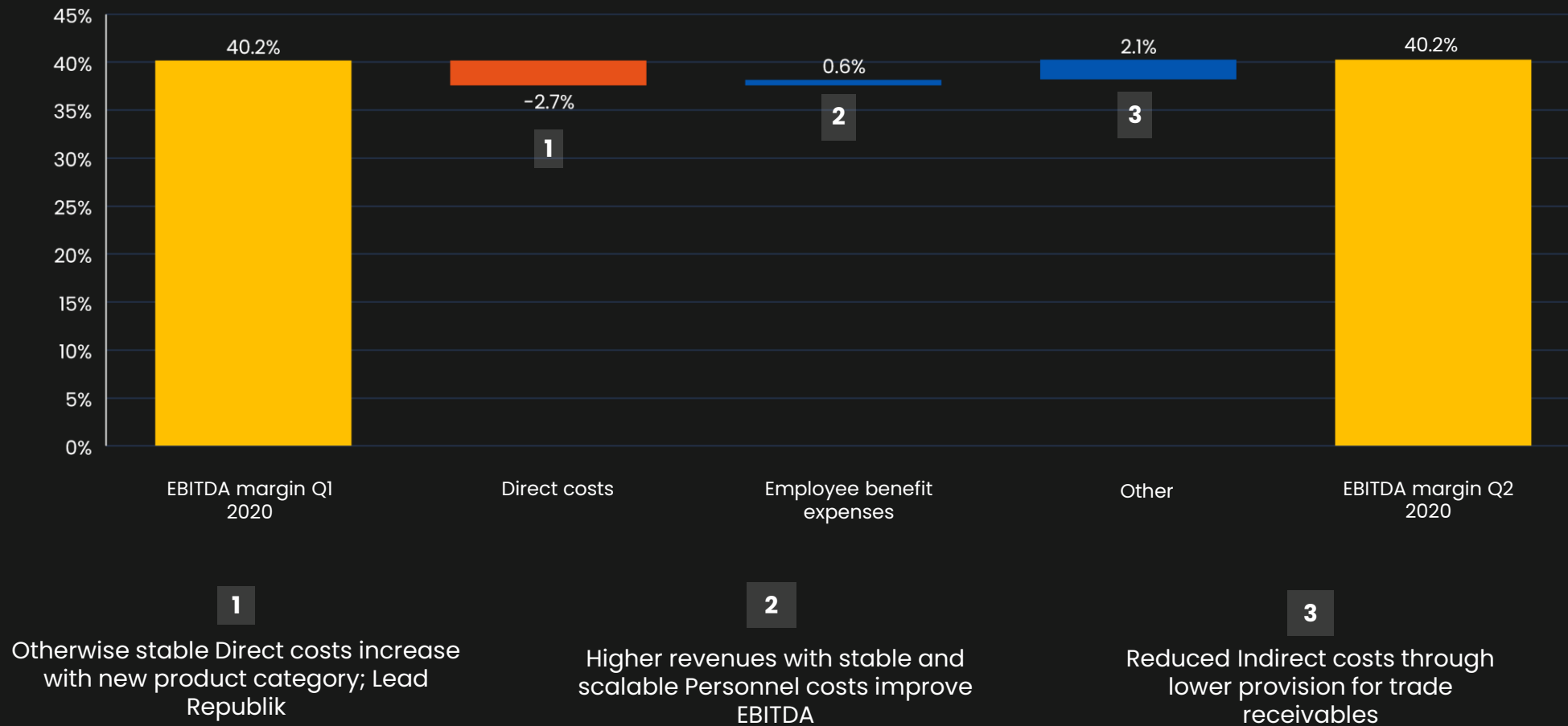
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Higher costs with added markets and products. Only minor EBITDA margin effect as revenues increase

Other

EBITDA Q2 2020

EBITDA-margin Q1 vs. Q2 2020



Key takeaways

Key takeaways

Delivery on strategic operational goals



- Presence on 3 continents
- 4-5 Flagship products
- 4-6 product categories
- <60% from single vertical

Financials

- 24.1% growth YoY and 7.4% QoQ
- Significant drop in sports mitigated by Casino assets
- Stable EBITDA level despite product development and expansion efforts
- July revenue amounting to 2.4m with EBITDA over 40%

Events and Milestones

- Revenues from outside of the Nordics close to 20%
- Howtobet.com launched targeting USA
- Additional US licenses obtained
- Launched new product line; Extended Audience
- Remote-ish organisation and re-branding launched

Outlook and way forward

- Volatility expected with regards to Covid-19
- Unpredictability in Sweden due to legislation
- Increased investments in geographical and product expansion over next 2-3 quarters might lower EBITDA slightly
- Intensified M&A agenda

Q&A

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Thank you!

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