



Q4

Report Presentation

 **RAKETECH**



Presenters



Oskar Mühlbach
Chief Executive Officer



Måns Svalborn
Chief Financial Officer

Presentation agenda

01 **QUARTERLY HIGHLIGHTS**

02 **FINANCIALS Q4 2019**

03 **STRATEGIC UPDATE**

04 **KEY TAKEAWAYS**

05 **Q&A**

A blurred background image of an office meeting. Several people are seated around a table, and one person is standing and presenting. The image is dark and out of focus.

Quarterly highlights

Q4 Financial highlights

- Slow revenue start with confident finish
- Stable and high customer intake
- Extraordinary costs items
- Tough comparison with Q4 2018 being fueled by intensive pre-regulation activity
- January 2020 revenues amounted to EUR 2m

REVENUE
EUR 5.8m

YoY -23.3%
QoQ -1.8%

EBITDA (adj.)
EUR 2.0m

YoY -56.6%
QoQ -27.5%

Adj. Margin 33.6 %

NDC
28,002

YoY -22.1%
QoQ +4.6%

Q4 Operational highlights

ORGANISATION 2.0

- Key recruits and roles in place
- CEO change

OPERATIONAL MILESTONES

- TV-guides product family on new improved common platform
- Revamp of Danish office sets new foundation

STRATEGIC MILESTONES

- New market entry with TV-sportiva live in Italy
- First NDC from the USA (NY license)

Financials Q4 2019

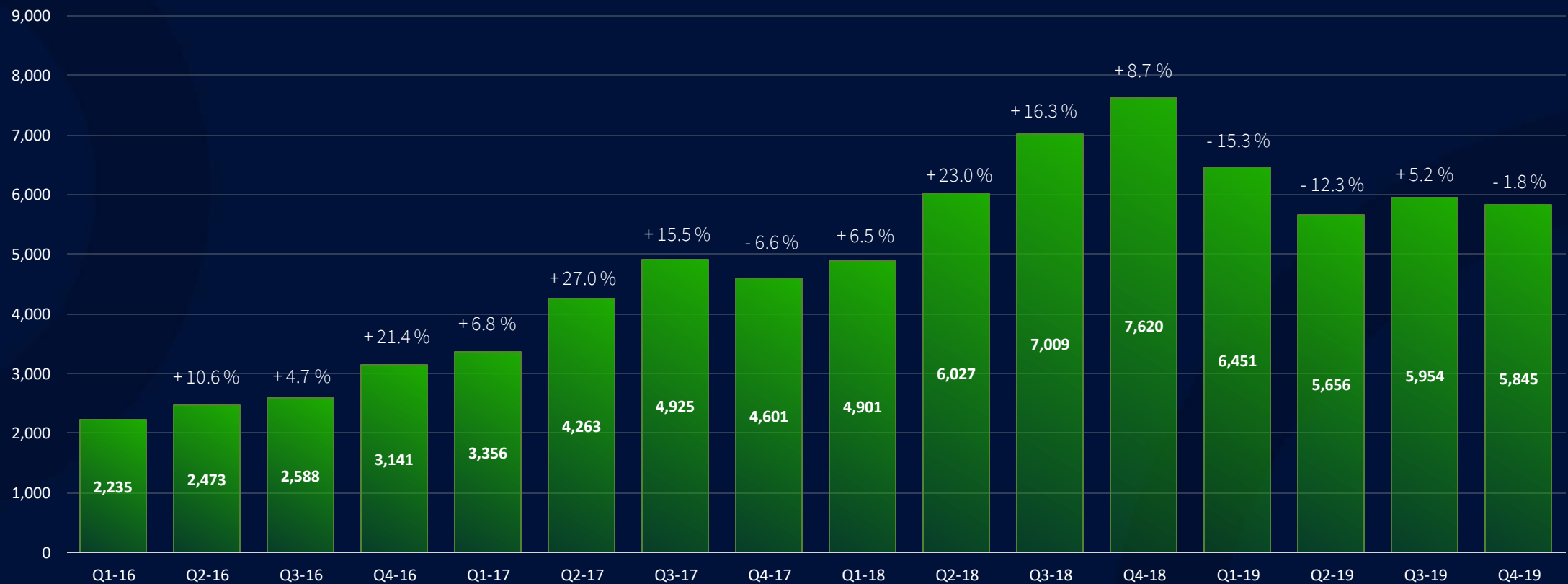
The background is a dark blue gradient. On the right side, there is a faint, stylized illustration of a piggy bank. In the lower-left quadrant, there are several stacks of coins of varying heights, suggesting a financial or savings theme.

Revenue development

“Slow start of the quarter was followed by a strong December”

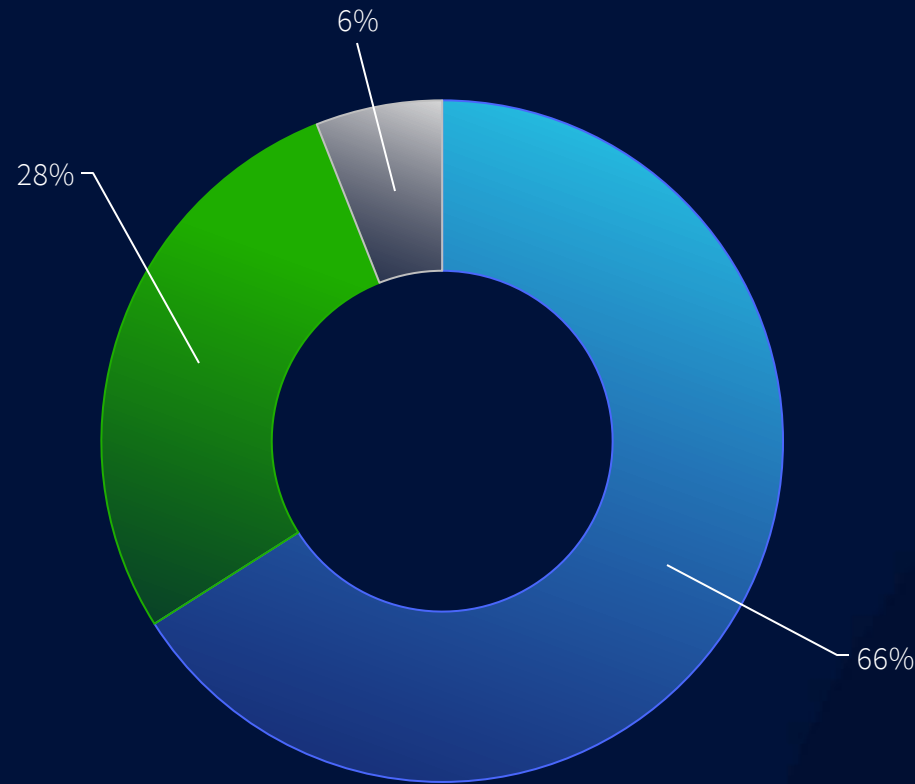
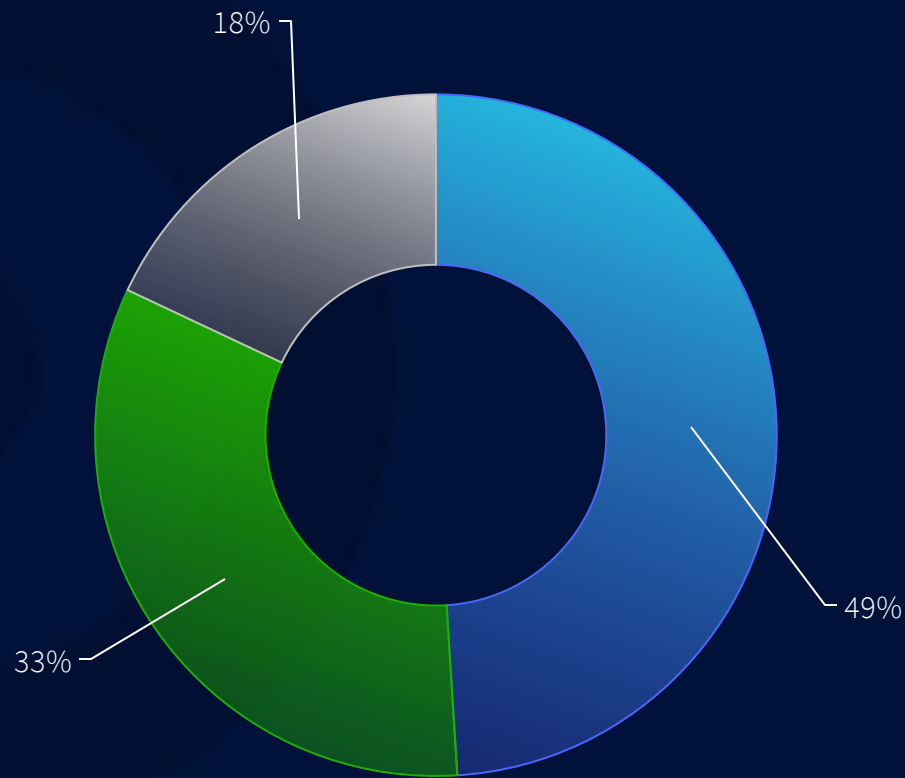
CAGR last 3 years **23%**

Revenue (Eur 000)



Revenue split

“A continuous balancing act to find the right mix of player values and revenue model”



- A shift of 7% from revenue share to fixed fees due to continuous assessments of player values and revenue models
- Sports revenues in Q4 2019 amounted to 28% of total revenue, in line with Q3
- Finance vertical showing steady growth throughout 2019
- Revenues outside of the Nordics amount to 9.7%

■ REVENUE SHARE

■ CPA

■ FLAT FEE

■ CASINO

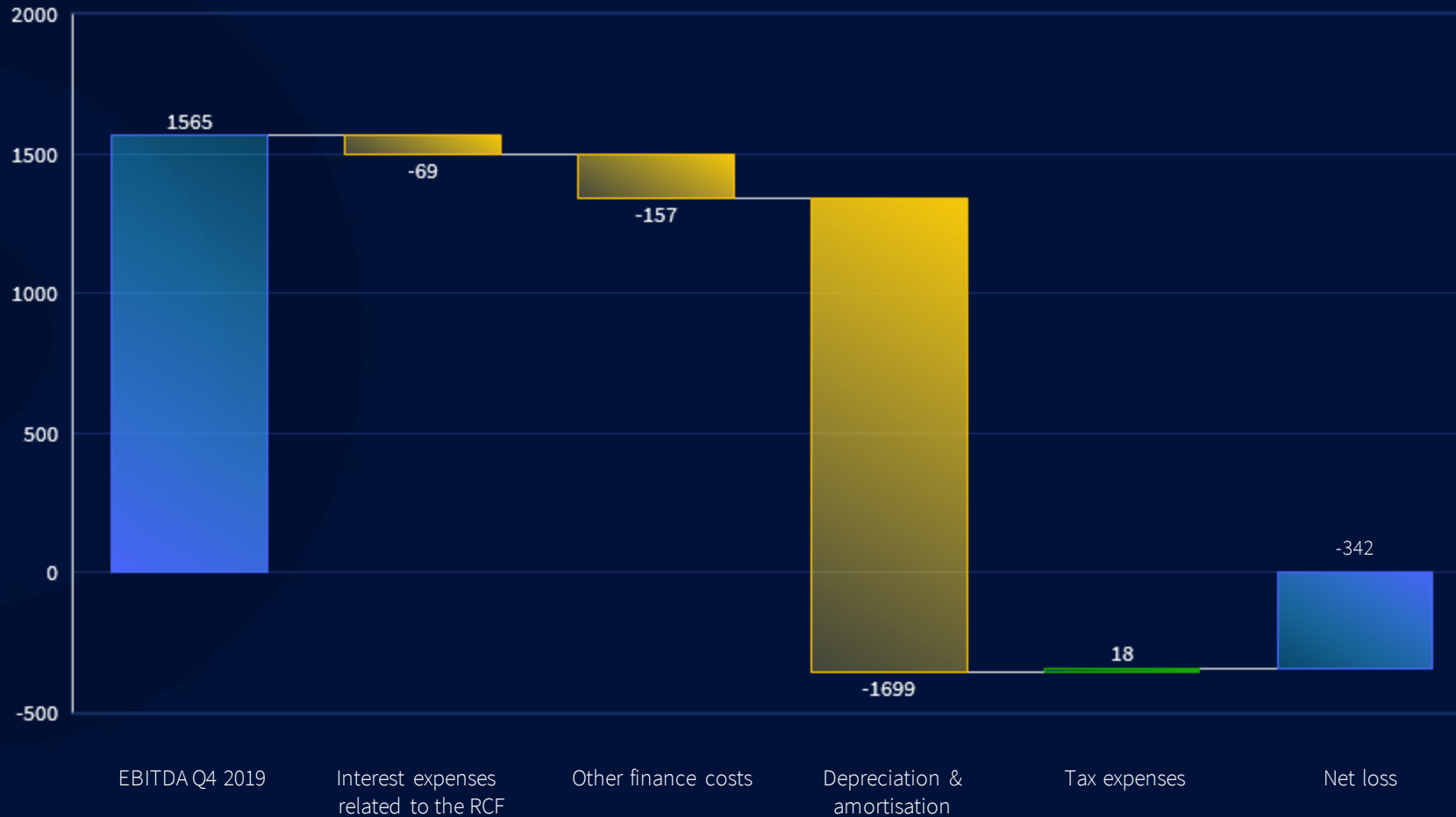
■ SPORTS

■ OTHERS

EBITDA to Net loss bridge Q4

“Write down of goodwill and exceptional costs leading to a net loss for the quarter”

(Eur 000)



- Only item below EBITDA with cash flow effect, loan facility interest expense, which amount to EUR 0.1m during the quarter
- Depreciation amounts to EUR 1.7m for the quarter, includes write down of goodwill of EUR 0.3m
- Reported net loss for the quarter amounted to EUR 0.3m

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 4.2m at the end of the quarter
- Borrowings related to the utilized amount of the loan facility from Swedbank amounted to EUR 3.4m
- Amounts committed of EUR 10.7m consist of the expected earn out liabilities.

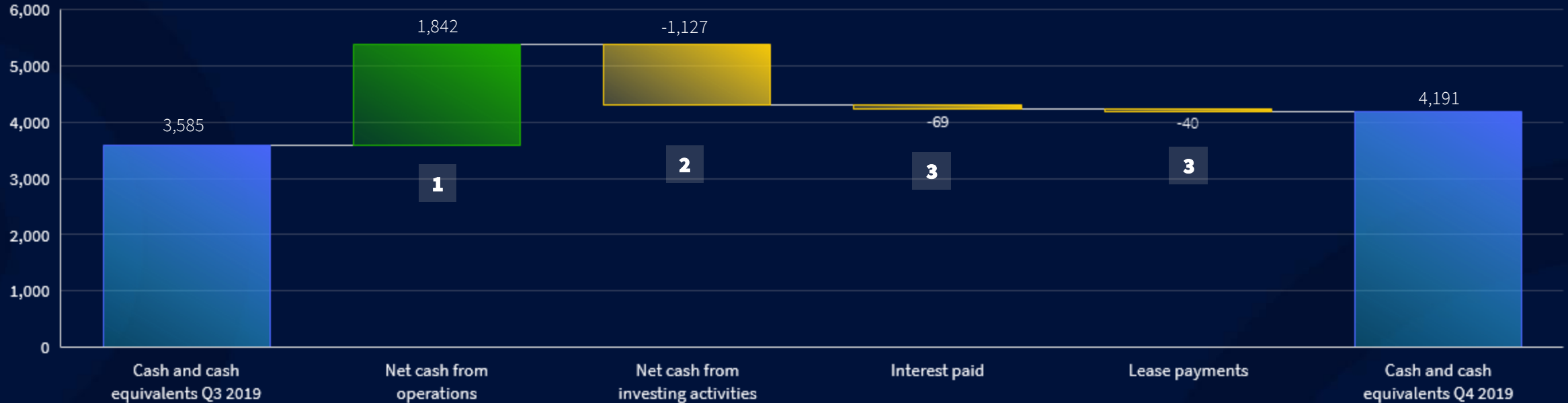
BALANCE SHEET | 31 DEC 2019

Fixed assets EUR 73.8m	Equity EUR 65.0m
Other receivables EUR 4.1m	Amounts committed EUR 10.7m
Cash and Cash equivalents EUR 4.2m	Borrowings EUR 3.4m
	Other EUR 3.0m

Cash flow bridge Q4 vs Q3 2019

“Strong positive net cash flow of EUR 0.6m during the fourth quarter”

(Eur 000)



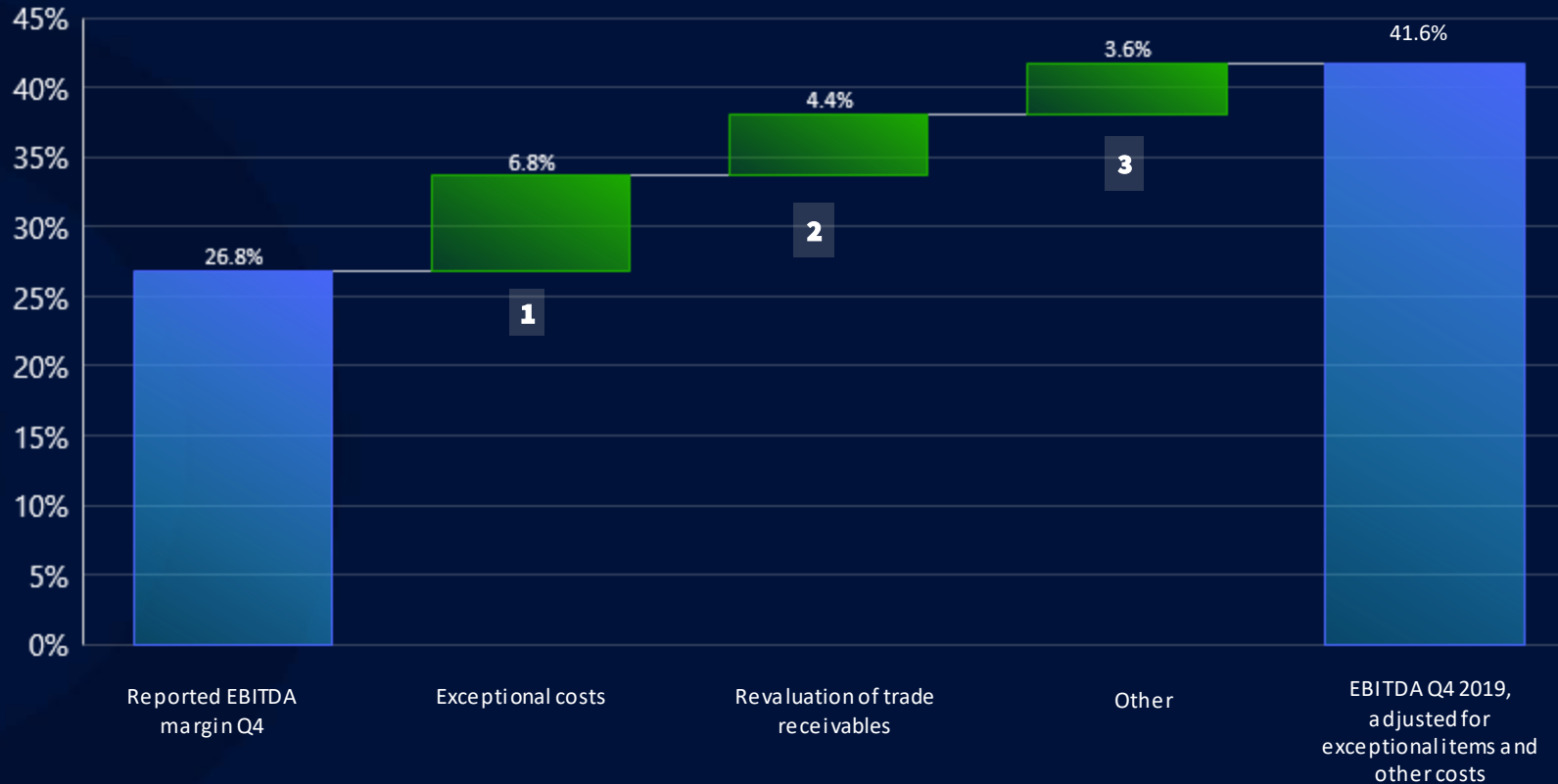
1
Operational cash flow during the quarter amounting to EUR 1.8m, lowered by exceptional costs

2
Investing activities relate primarily to earn-outs during the quarter

3
Interest and lease payments during the quarter amounted to EUR 0.1m

EBITDA – margin development Q4

“Normalized EBITDA in the quarter indicating a margin of 40+ %”



Other costs affecting Q4 vs. Q3

- Increase in paid media efforts
- Onboarding of senior management and other qualified personnel

1

Exceptional costs of CEO severance pay and relocation of Danish office

2

Revaluation of trade receivables, in line with IFRS 9

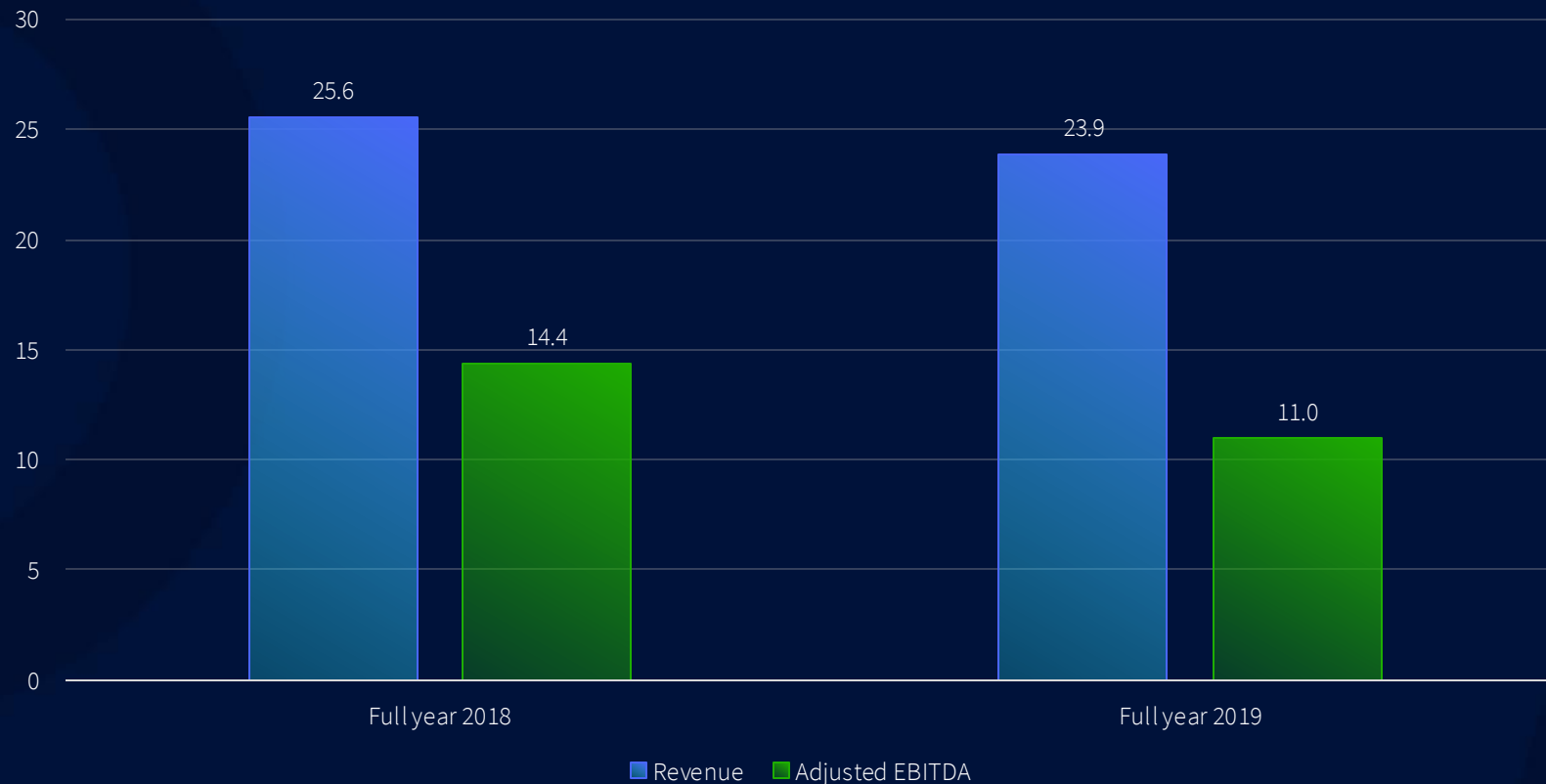
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Annual partnership agreement expensed in Q4 and minor employee benefits affecting the quarter

Year end 2019 vs. 2018

“Adjusted EBITDA margin of 46% and NDCs at an ATH”

(Eur in million)



Despite a challenging year;

- Amount of NDCs surpassed 100k in 2019, an increase of 9% from last year
- Adjusted EBITDA margin at 46% in 2019, compared to 56.3% in 2018

Strategic update

iGaming macro trends

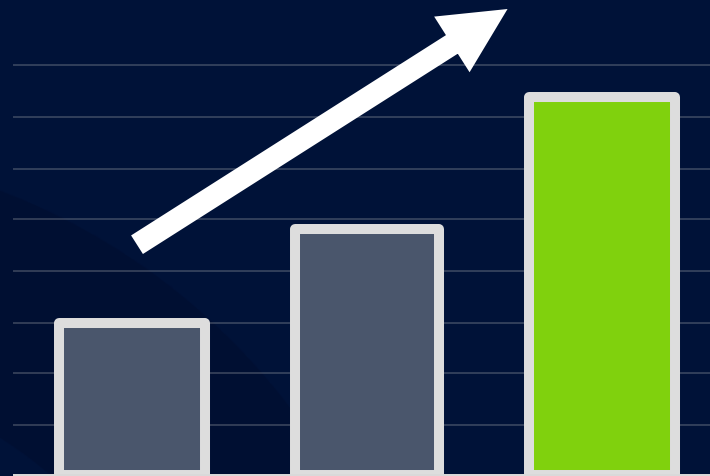
1.

**Global iGaming
giants**



2.

**Digital hyper
growth**



3.

**Increased
complexity**



Raketech in short

- iGaming Experts - 10 years in the iGaming industry
- iGaming nerds - over 90% of revenue from iGaming sector
- Easy to scale business model – central experts serving distributed ”intrapreneurs”
- Strong M&A capacity – successful track record and in-house expertise
- Stable finances – debt free and good cash flow

Transformation

“From traditional affiliation to full-service performance marketing partner”

**1. Global
flagship
products**

**2. Diversified
360 iGaming
focus**

**3. Growth
Partnership / VIP
concept**

**4. Active and
targeted M&A
agenda**

**5. Monetize on tech
platform**

Operational goals

4-6

PRODUCT CATEGORIES

4-5

GLOBAL PRODUCTS

3

CONTINENTS

<60%

REVENUE FROM
SINGLE VERTICAL

Key takeaways

Key takeaways

FINANCIALS

- Q4 results in line with previously communicated preliminary numbers
- Slow start but strong finish
- Continued high and stable NDC intake
- January revenues of EUR 2m

EVENTS & MILESTONES

- New management team in place
- First NDC from USA
- Tvsportiva.it live in Italy
- Japanese acquisition Casumba developing according to plan

WAY FORWARD

- Re-establish M&A as an important tool to expand or broaden our offering
- Transform from traditional affiliation to iGaming performance marketing partner

Q&A

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