

RAKETECH

Q4 2023 Report Presentation

RAKETECH

Q4 2023

- 01. Highlights
- 02. Financials Q4 2023
- 03. Key takeaways
- 04. Q&A



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Acting Chief Executive Officer



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Chief Financial Officer

Q4 Financial Highlights

FULL YEAR IN LINE WITH PREVIOUSLY INCREASED GUIDANCE

- Q4 revenue totaled EUR 22.8 million, an increase of 45.3% (Y/Y)
- Full-year revenue of EUR 77.7 million
- Full-year organic growth 47.6%

- EBITDA of EUR 6 million (6.4 million)
- Full-year EBITDA of EUR 23.6 million (20.1 million), up by 17.6%
- EBITDA margin in Q4 of 26.3% (40.7%)
- Strong growth in sub-affiliation of +228% compared to Q4 2022

- Revenues in January 2024 amounted to EUR 7.3 million
 - Supported by positive results from Sub-affiliation

22.8m

REVENUE

2023 +47.6%
Q4 23 +45.3%

6.0m

EBITDA

2023 +17.6%
Q4 23 -6%

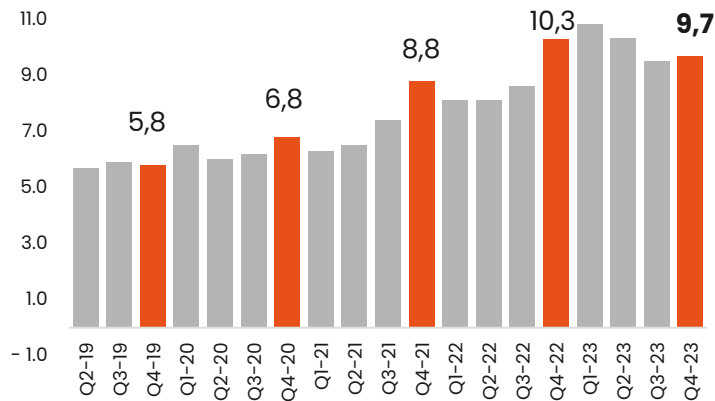
Q4 Operational Snapshot

Affiliation marketing

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

Softer performance in Sweden

- Impacted by softer performance in Sweden during the quarter, and strong comps

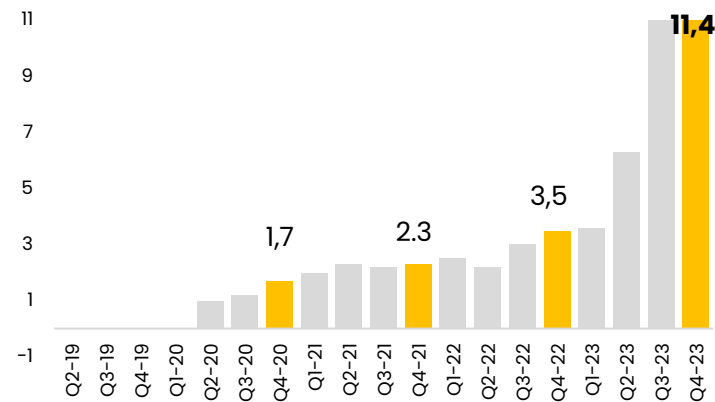


Sub-affiliation

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

Strong organic growth

- Raketech Network continued to drive growth

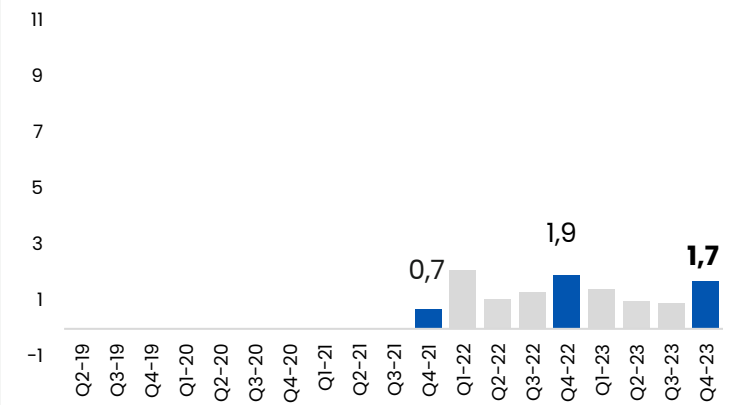


Betting tips and subscription

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

Peak season for tipster business but not in-line with expectations

- Organizational changes not yet paying off



Action Plan 2024 and Strategic review

AFFILIATION MARKETING

Secure long term organic growth and increased profitability

- ✓ Review our Affiliation marketing strategy including operating model and capital allocation.
- ✓ Analyze entire product portfolio during Q1 to optimize cash flow and improve operational efficiency.

SUB-AFFILIATION

Focus on platform development and increase sales

- ✓ Raketech Network – Continue growth and increase profitability by entering new markets and onboarding more publishers
- ✓ AffiliationCloud – Focus on product development during H1 with the aim to increase sales during H2

BETTING TIPS AND SUBSCRIPTION

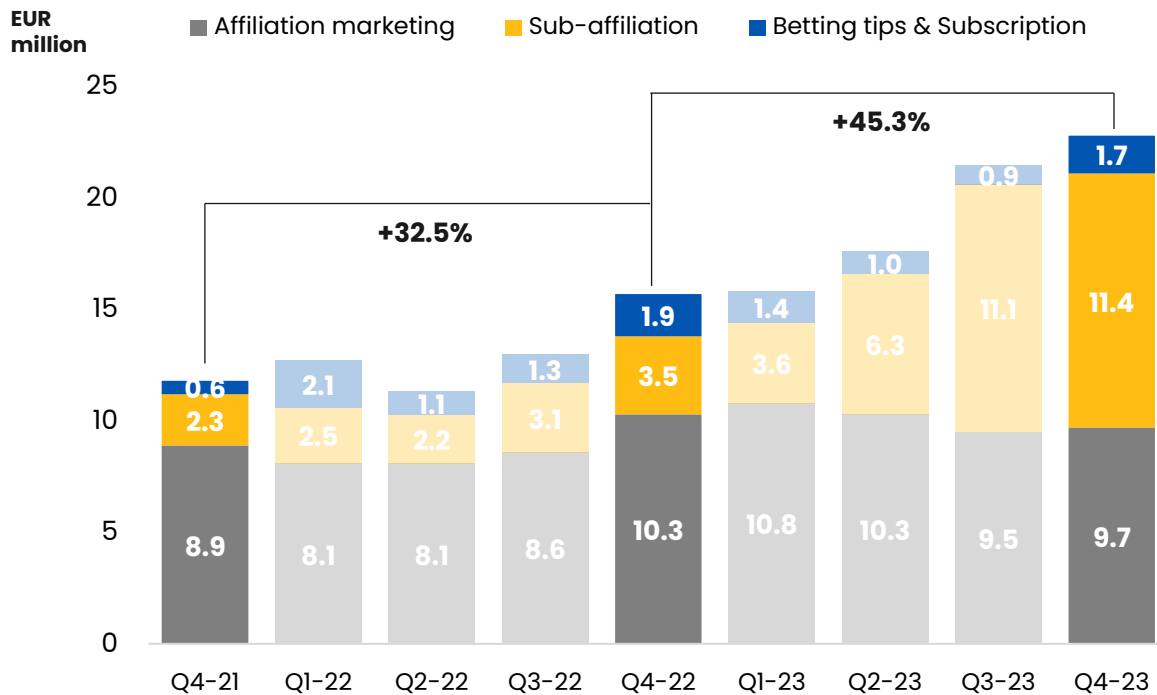
Digitize the business and add additional revenue streams

- ✓ Digitize the tipster business and optimize the conversion funnel
- ✓ Continue to scale up Affiliation Marketing on Tipster assets

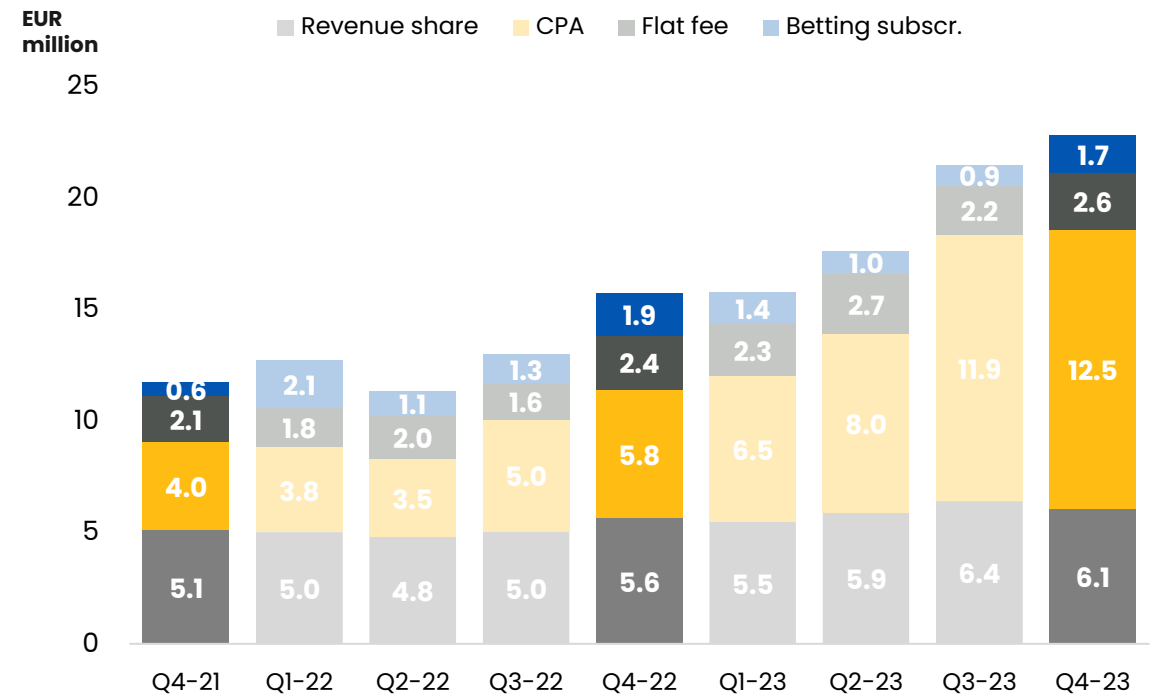
Financials Q4 2023

Significant growth for sub-affiliation

Revenue streams



Revenue mix

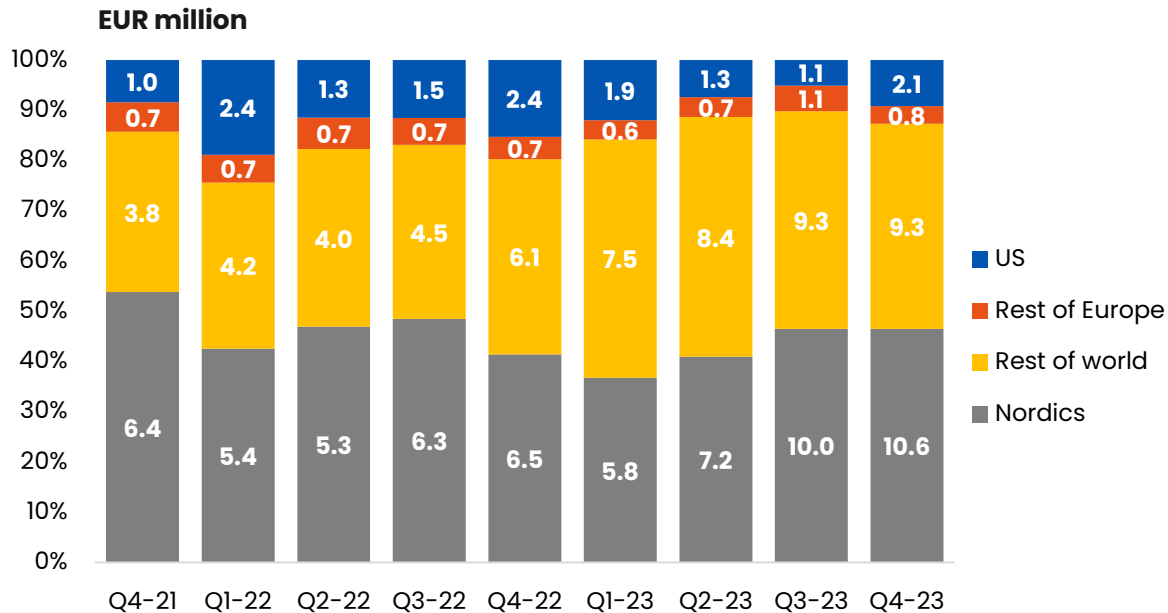


- **Affiliation marketing** at 43% of total revenues in Q4, stable performance from Casumba and other markets, offset by a softer performance from Sweden.
- **Sub-affiliation** at 50% of total revenues with strong sequential growth
- **Betting tips & subscription** at 7% of total revenues, picking up but not on par with expectations.

- Increasing base of **revenue share**
- Increase in **CPA revenue** stems primarily from growth in sub-affiliation

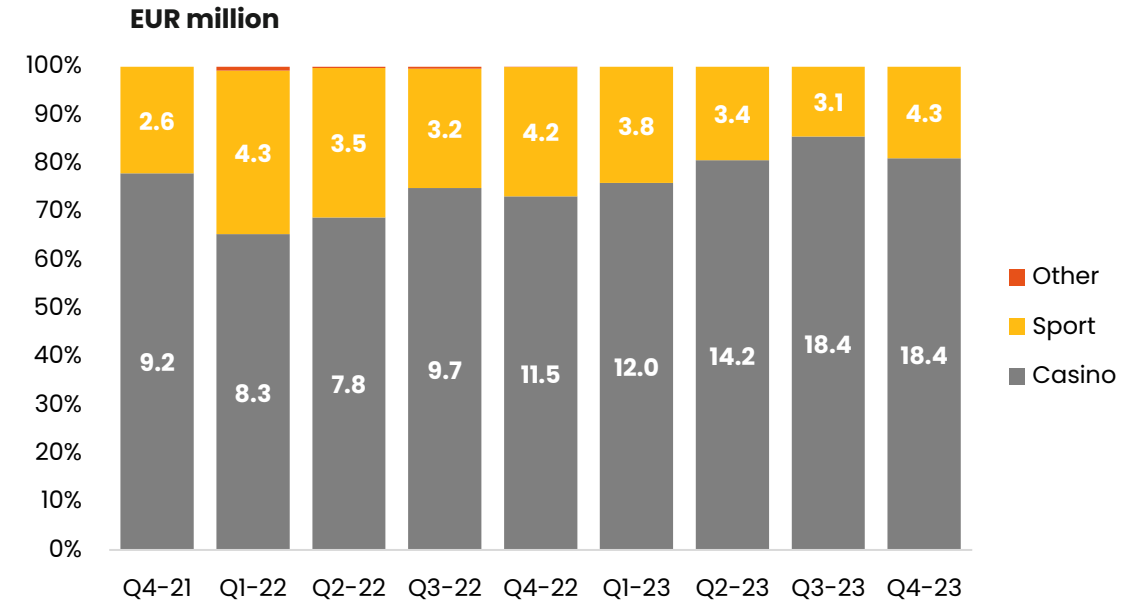
Well balanced market mix with increased casino share

Region split



- **Nordics** growth driven primarily by increased Network sales (sub-affiliation), Sweden has a softer development
- **Rest of World** continues with stable Casumba and multiple markets for Network (sub-affiliation)
- **US** picking up but not in line with expectations

Vertical split

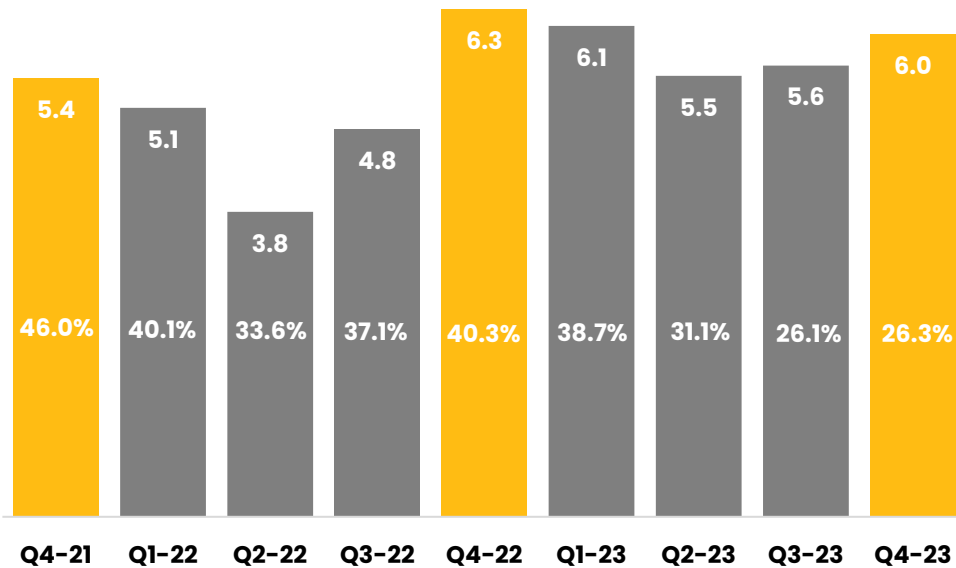


- **Casino** at 81% of total revenues with strong performance from ROW coupled with higher share of casino revenues within Sub-affiliation/Network. Additionally higher share of sport in Network compared to last year.

EBITDA with increasing cash flow

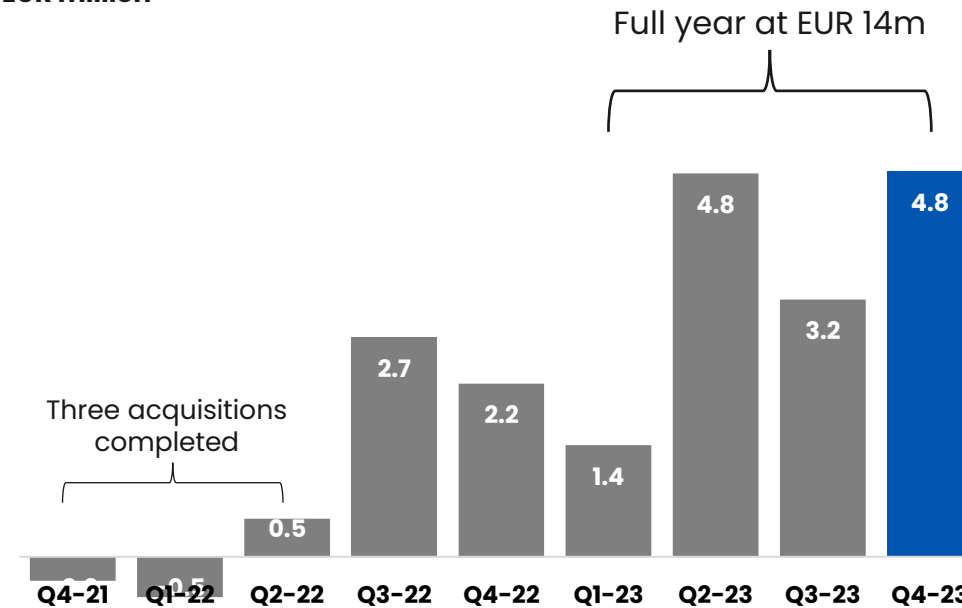
EBITDA and margin quarterly

EUR million



Free cash flow quarterly

EUR million

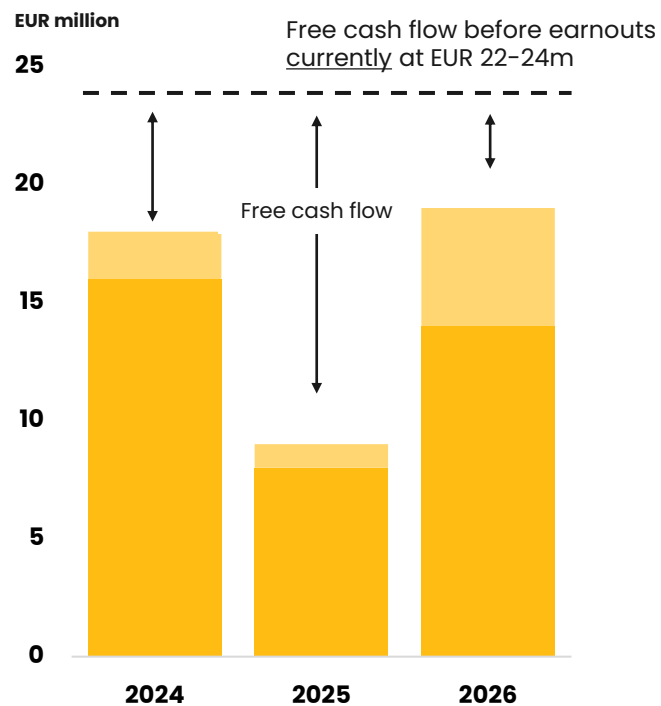


- EBITDA somewhat impacted by softer development in Sweden
- Positive EBITDA contribution from growth in sub-affiliation
- Lower group EBITDA margin as Sub-affiliation grows in relative terms

- Strong free cash flow
- Free cash flow for the full year 2023 at EUR 14m

Majority of earnout determined

Estimated earnout settlements



	2024	2025	2026
Estimated earnout to settle	18m	9m	19m*
Cash	16-18m	5-9m	11-19m
Equity (at RT discretion)	0-2m	0-4m	0-8m*

* Can be settled at any point in time up until September 2026

- **Majority of earnout determined**
 - EUR 41m in fixed consideration
 - EUR 5m based on profit share up until July 2024
- **Current cash flow well above estimated earnout** cash outflows
 - Settlement in shares at full discretion of Raketech
- **Founders committed to stay onboard**, to oversee portfolio of assets and work on other growth projects

Key takeaways and outlook

"FULL YEAR IN LINE WITH PREVIOUSLY INCREASED GUIDANCE"

Outlook and way forward

- Performance in 2023 in line with guidance
- Clear objectives: to deliver long-term organic growth and increased profitability via improved operational efficiency and capital allocation.
- January 2024 revenues amount to EUR 7.3 million – supported by positive results from Sub-affiliation

Guidance for 2024

EBITDA	EUR 24–26 million
Free Cash Flow*	EUR 22–24 million

*Before cash settlements of the Casumba earnout of EUR 18.3 million this year

Q&A

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Thank you!