

RAKETECH

Q4 Report Presentation

Presenters



Oskar Mühlbach
Chief Executive Officer



Måns Svalborn
Chief Financial Officer

Agenda

01. Highlights

02. Financials Q4 2020

03. Key takeaways

04. Q&A

Q4 Financial highlights

- Total revenues ATH
- Network (Lead Republik) sales on ATH
- Weak comparison quarter boosts numbers
- Margin higher than anticipated despite product mix changes and investments in expansion revealing benefits of scale
- Japan ATH
- Lower NDC intake than previous quarter indicating decreased effect from Swedish regulation NDC uplift
- OUTLOOK January - revenues EUR 2.7m

8.5m

REVENUE

YoY +44.7%
QoQ + 15%

3.6m

EBITDA

YoY +133%
QoQ + 24%

+15%

ORG. GROWTH

QoQ +14.7%

46k

NDC'S

YoY +65.7%
QoQ -11%

Q4 Operational highlights

- Multiple inhouse initiatives launched in the USA
- TvSPORTSGUIDE.COM (US) launched and growing
- Paid efforts in the USA showing positive ROI
- Swedish temporary regulations prolonged 6 months – no material effect expected
- Google Core Update with mixed effects on assets – might lead to slightly lowered revenues from Sweden but higher from ROW going forward
- Successful launch of Network sales in Brazil

20k

ACTIVE USERS

On the
TvSPORTSGUIDE.COM after
1st quarter.

+5%

US REVENUES

In January.

+40k

EUR FROM BRAZIL

Via Raketech Network,
also known as Lead
Republik in December

2020 Milestones and deliveries

- AmericanGambler and Lead Republik acquired and the Finance vertical divested successfully - without adding debt
- Fully remote organization to mitigate Covid and to ensure we employ the best regardless of where they are, instead of "settling for the best we can find where we are"
- Shared technical platforms for all inhouse assets for increased speed of delivery, shared best practice and lowered overhead cost
- Several new monetization opportunities added such as AI-toplists, extended audience, TPC, paid media, Social media and more



- ✓ Global footprint
- ✓ Flagship products
- ✓ Widened product offering
- ✓ Vertical balance

25%

Q4 Non- Nordic

Comp. to 10% last year.

USA

entry

10 states, 13 assets live.

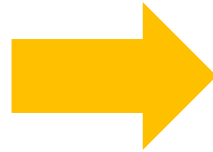
Network

Sales added

Incremental revenues
from new business area

2020 acquisition retrospect

- Central sales optimization and Raketechn negotiating power
- Access to new clients and markets
- Shared platforms, technology and administration, compliance etc
- Operational empowerment/resources



- ✓ Improved commercials
- ✓ Accelerated growth
- ✓ Improved margins
- ✓ Scalability
- ✓ Accelerated geographical expansion
- ✓ Less spent on admin and more on business



- Acquired in March 2020
- ROI 2 years
- + 50% revenue growth
- +100% profit growth

- ✓ New market launches
- ✓ New publishers onboarded
- ✓ New clients/partners added
- ✓ Improved commercials
- ✓ Accelerated sports vertical sales

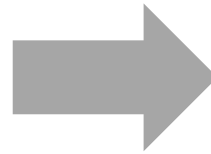


- Acquired in november 2020
- ROI 3-4 years
- Significant initial growth

- ✓ Michigan and Virginia launched on RT licences
- ✓ Local state assets rolled out on RT platform
- ✓ New and improved commercial deals in place
- ✓ Integrated with central operations team

Tactics and goals for 2021

- Accelerated M&A
- Capital structure optimization
- Roll out Raketech ecosystem
- Monetize on widened offering
- Aggressive geo expansion, existing assets
- Add new channels and content types



Wide and solid
geo footprint

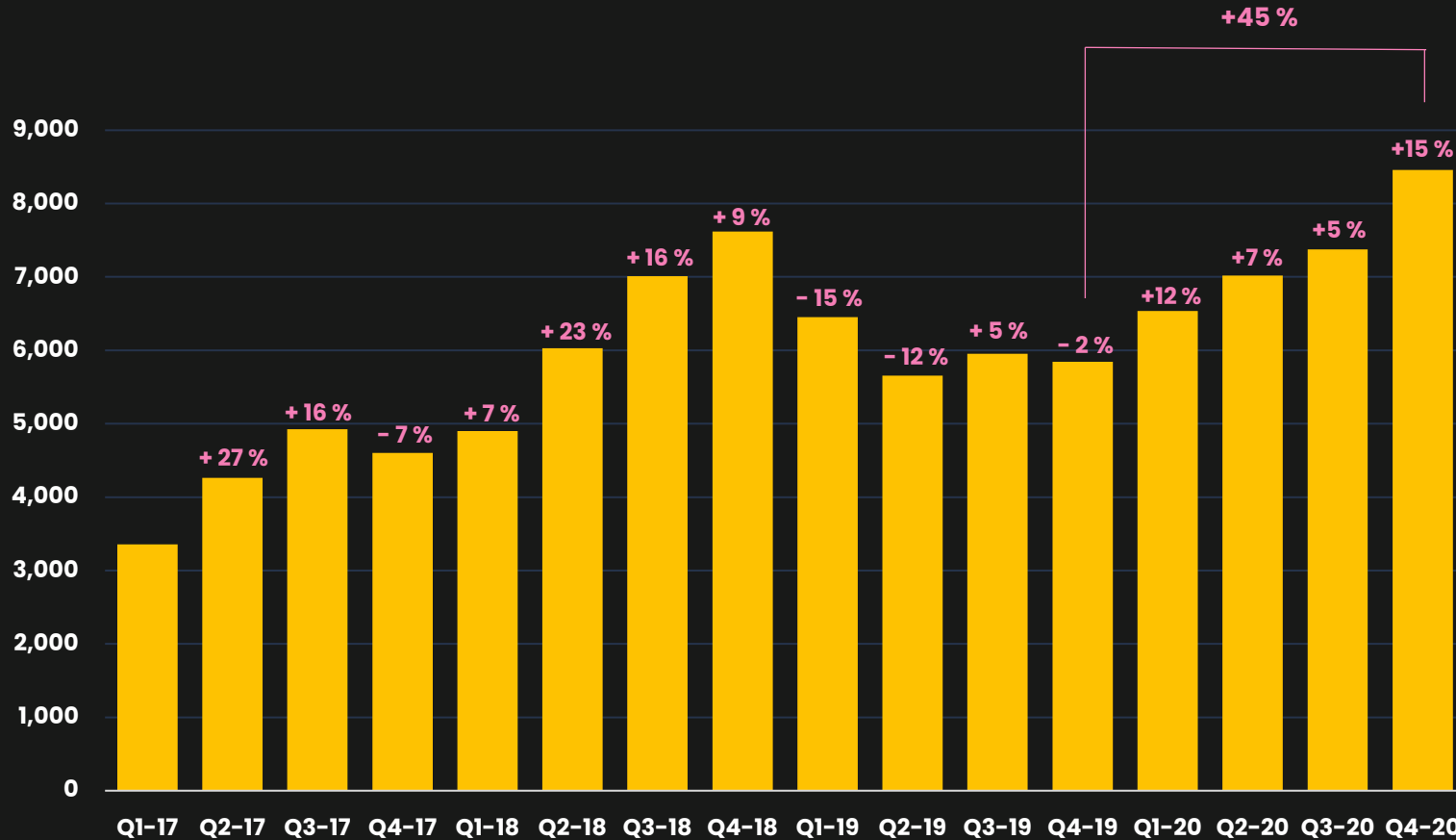
M&A as growth
accelerator

Full service
provider

Significant
revenues from
the USA

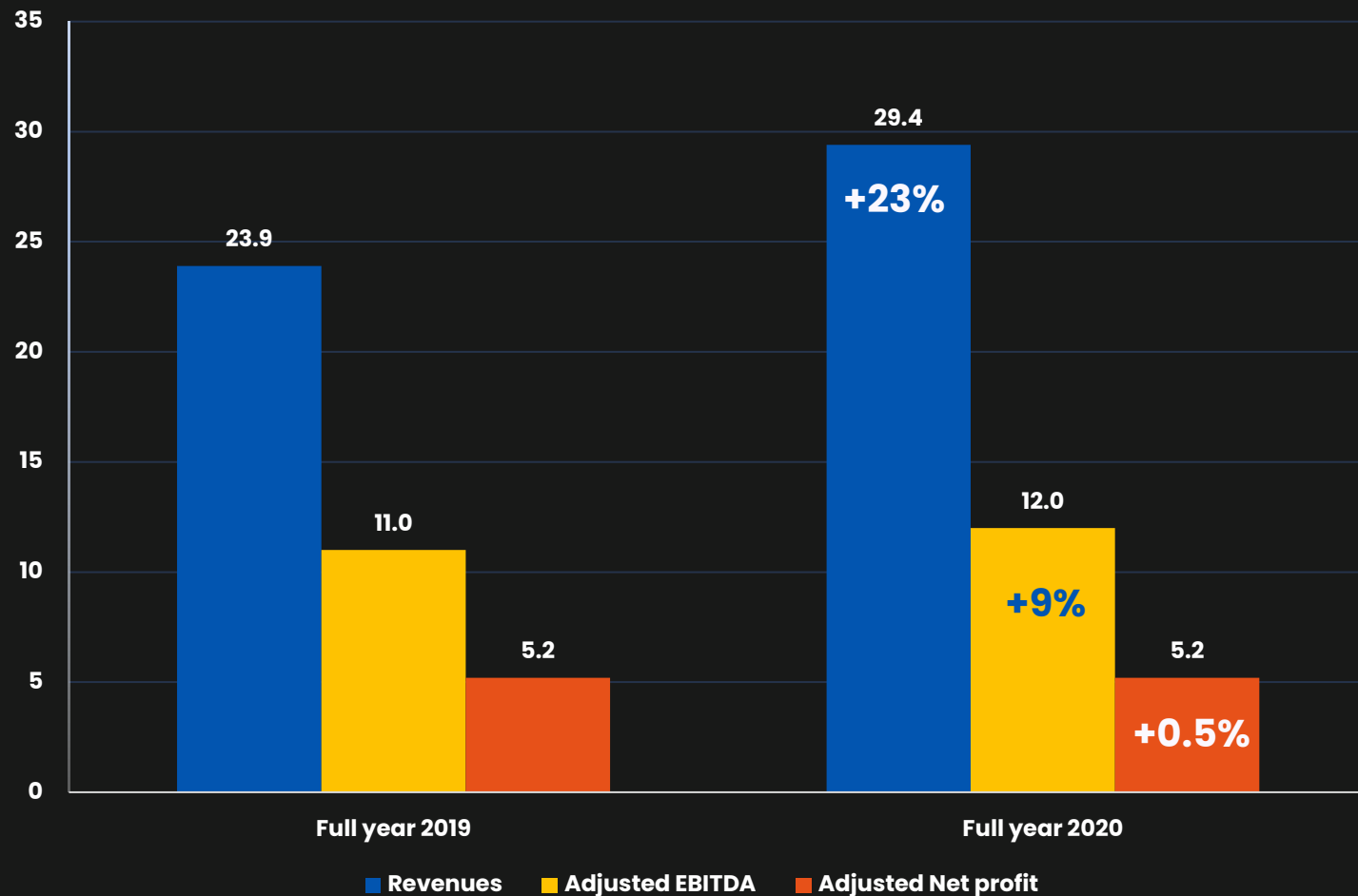
Financials Q4 2020

Revenue development



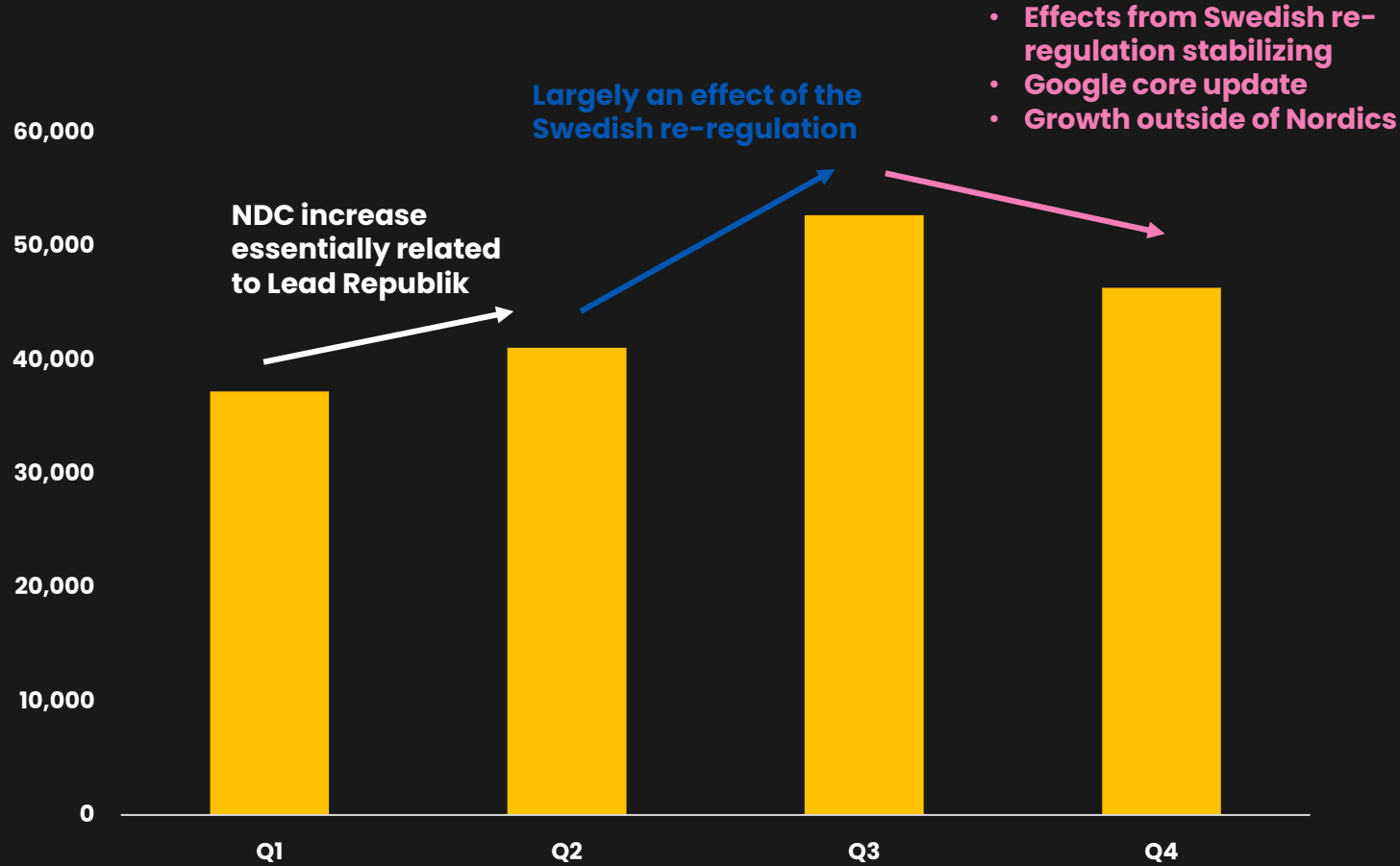
- Revenues at all time high organic growth of **15%** YoY
- Acquisition driven growth of **30%** YoY
- Revenues improve with **15%** from Q3, 2020
 - Big in Japan
 - Network sales solid finish for the quarter

Full year 2020 vs. 2019



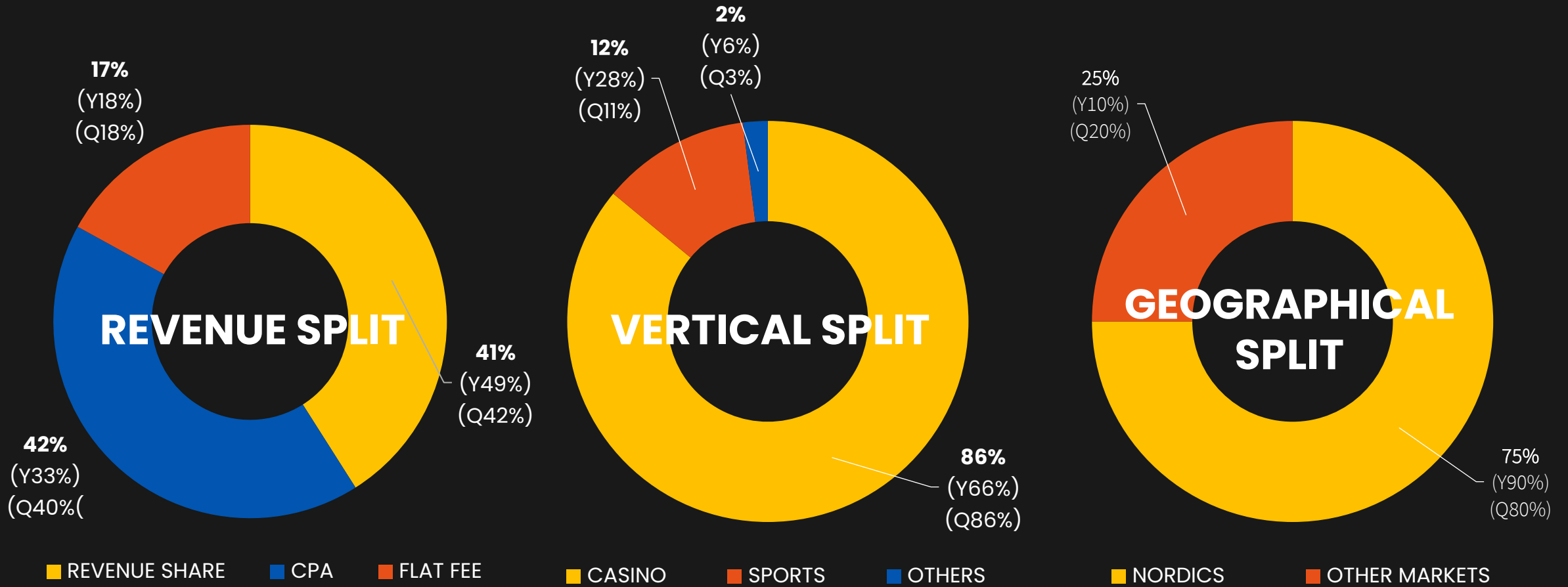
- Revenues increase with acquisitions as primary driver and organic growth in Q3 and Q4
- Improved EBITDA with wider product mix and geo footprint
- Net profit impacted by amortization
 - non-cash affecting items
 - prudent approach to ensure fair value of Intangible assets

NDC development

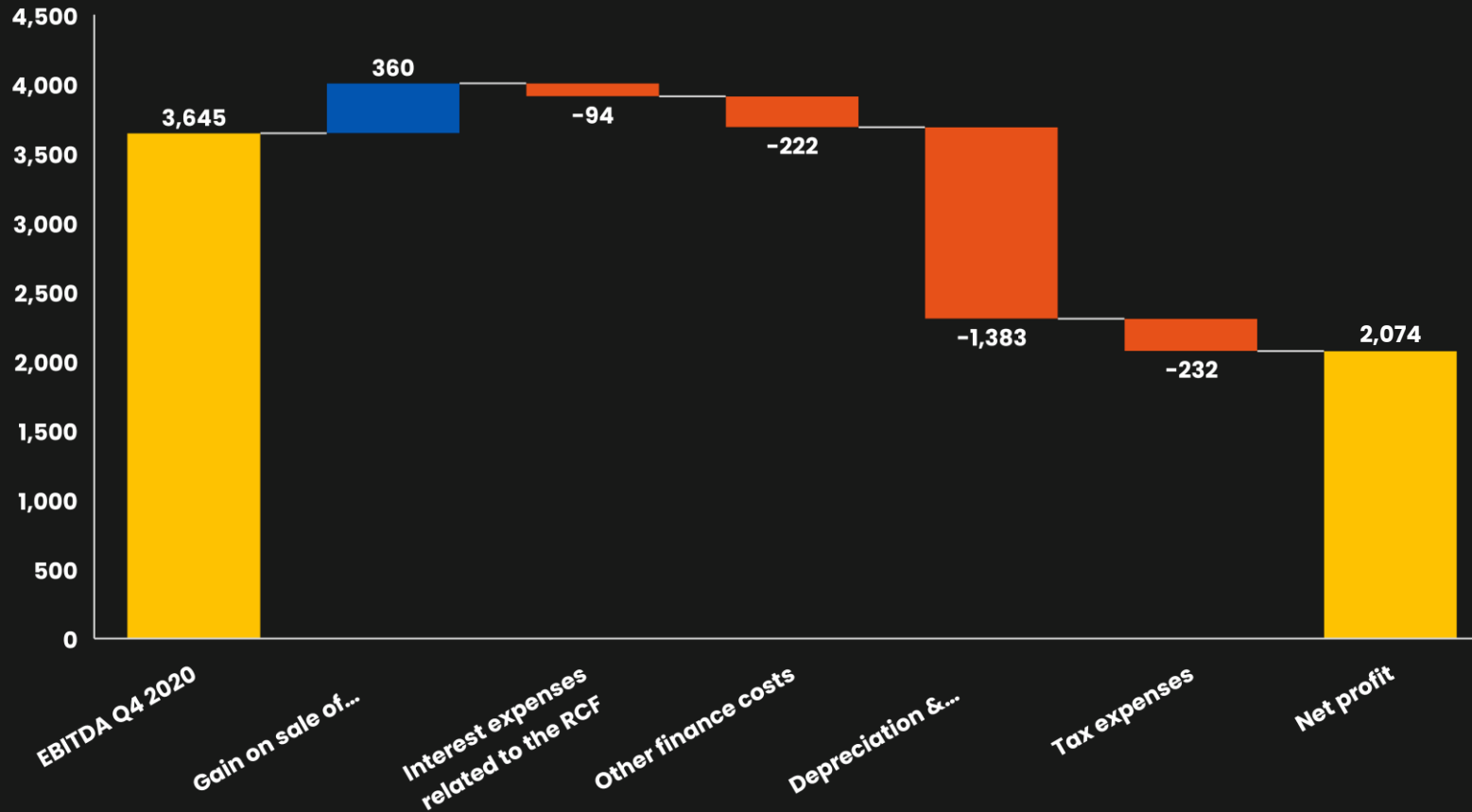


- Effects from Swedish re-regulation stabilized in Q4
- Google core update overall neutral to positive
- Positive development outside of Nordics

Revenue split



EBITDA to net profit bridge Q4



- The only item affecting cash flow relate to interest expense of EUR 0.1m
- Gain from sale of consumer finance asset of EUR 0.4m
- Depreciation amounts to EUR 1.4m for the quarter
- Reported net profit for the quarter amounted to EUR 2.1m

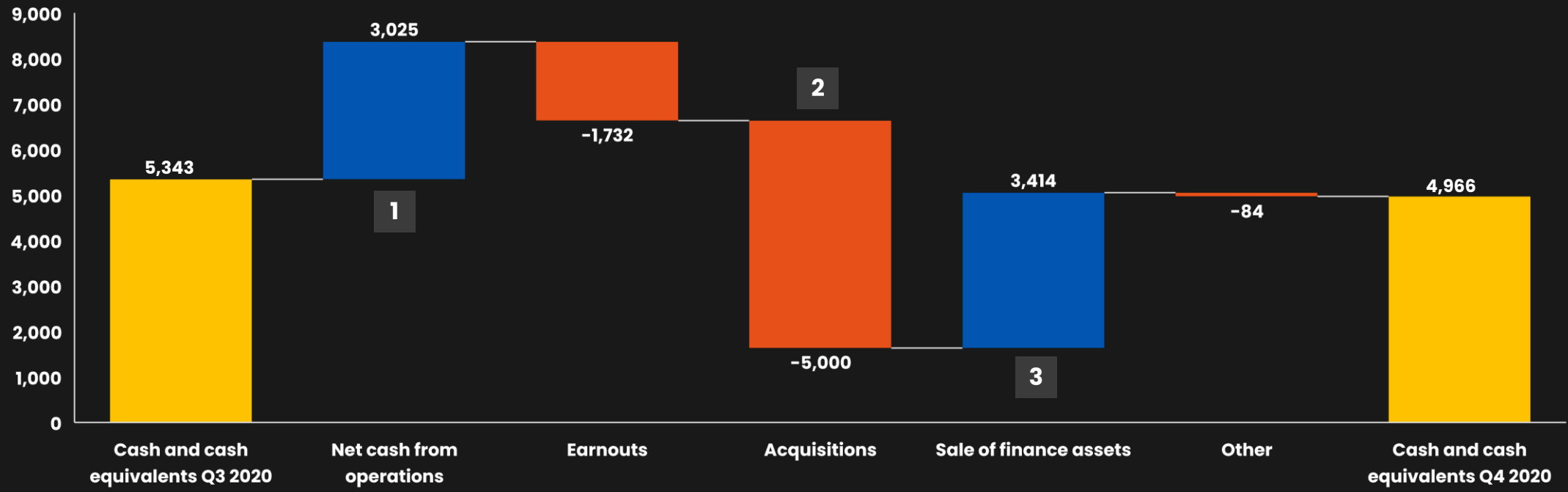
Statement of financial position

- Total assets amounted to EUR 91m, consisting mainly of Intangible assets
 - Acquisition of AmericanGambler, EUR 5m
 - Sale of finance consumer assets, EUR 3.8m
 - Adjustment of earnouts, EUR 4.3m
 - Amortizations, EUR 1.4m
- Cash and Cash equivalents amounted to EUR 5.0m at the end of the year
- Borrowings related to the utilized amount of the loan facility from Swedbank amounted to EUR 2.0m
- Amounts committed of EUR 14.5m consist of expected earn out liabilities

BALANCE SHEET | 31 Dec 2020



Cash flow bridge Q3 vs Q4 2020

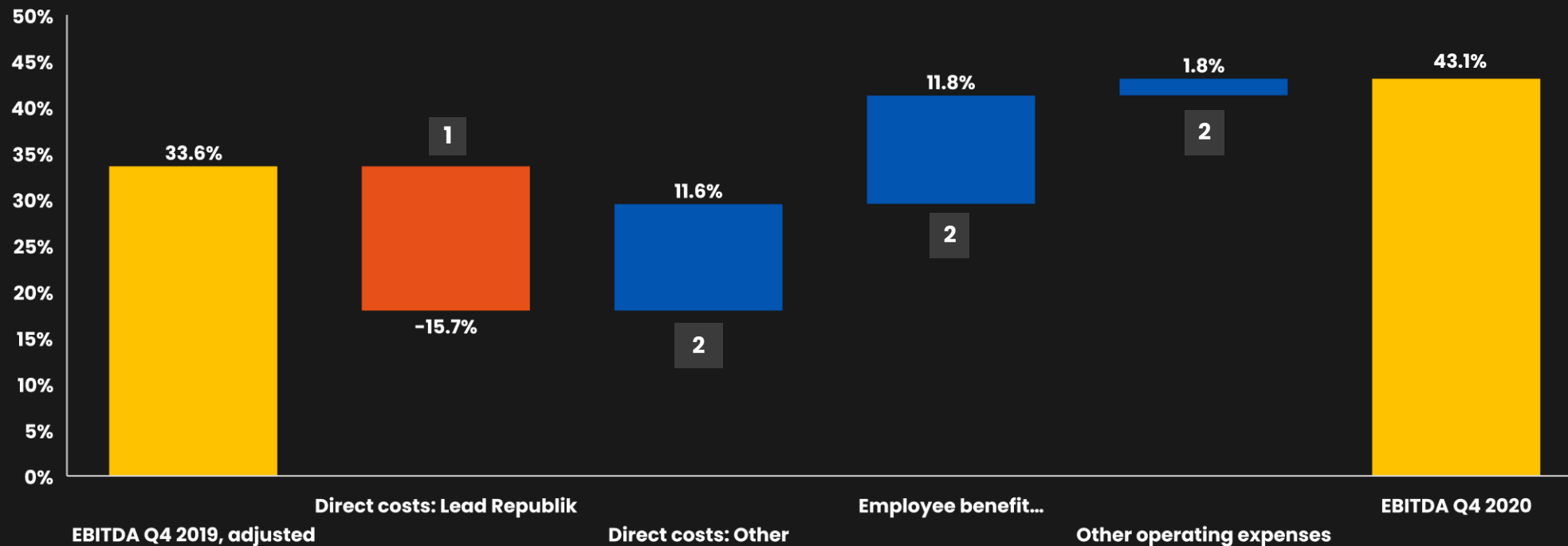


1
 Strong operational cash flow driven by higher profitability partly offset by timing effects from other receivables and payables

2
 Acquisition of AmericanGambler

3
 Upfront consideration received from the sale of consumer finance assets

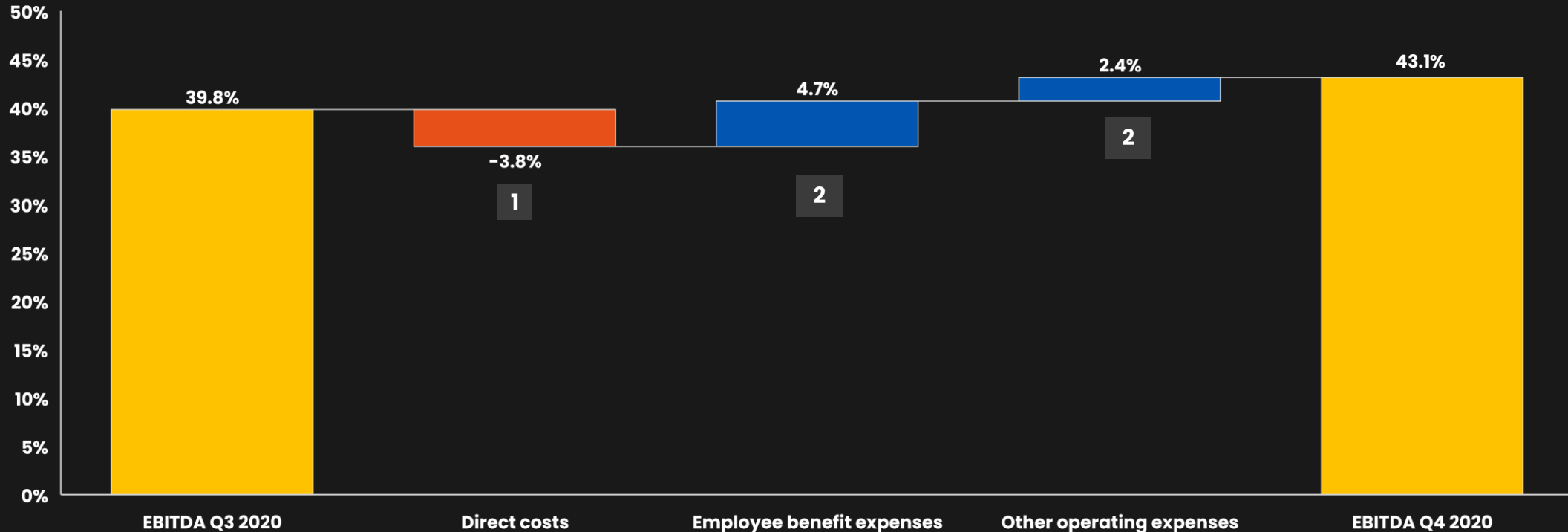
EBITDA-margin Q4 2019 vs. Q4 2020



1
 New product categories; Lead Republik and Paid Media

2
 Non-recurring costs in 2019 distorting comparison but current level is scalable and EBITDA margin improves with increased revenues

EBITDA-margin Q3 vs. Q4 2020



1
Growth in lower margin Network sales through Lead Republik

2
Higher revenues with stable and scalable Personnel costs and Other costs improve EBITDA

Key takeaways

Key takeaways



Strategic goals

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

Financials

- Revenues at ATH
- 44.7% growth YoY and 15% QoQ
- Organic growth 15% YoY
- Higher than anticipated EBITDA shows scalability

Events and Milestones

- All US assets rolled out in new states
- AmericanGambler acquired and Finance vertical divested, keeping debt low despite AG acquisition
- Casinofeber negative development in Sweden
- Non-Nordic revenues 25% (10%, 2019), with Japan at ATH
- Significant Brazil revenues added

Outlook and way forward

- January revenues 2.7m
- Sports expected to gain share
- Accelerated growth investments could lower EBITDA temporarily depending on product mix
- Work to optimize capital structure
- Intensified M&A agenda

Q&A

Thank you!

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