



# RAKETECH

Q2 Presentation

August 23<sup>rd</sup> 2018

## PRESENTERS

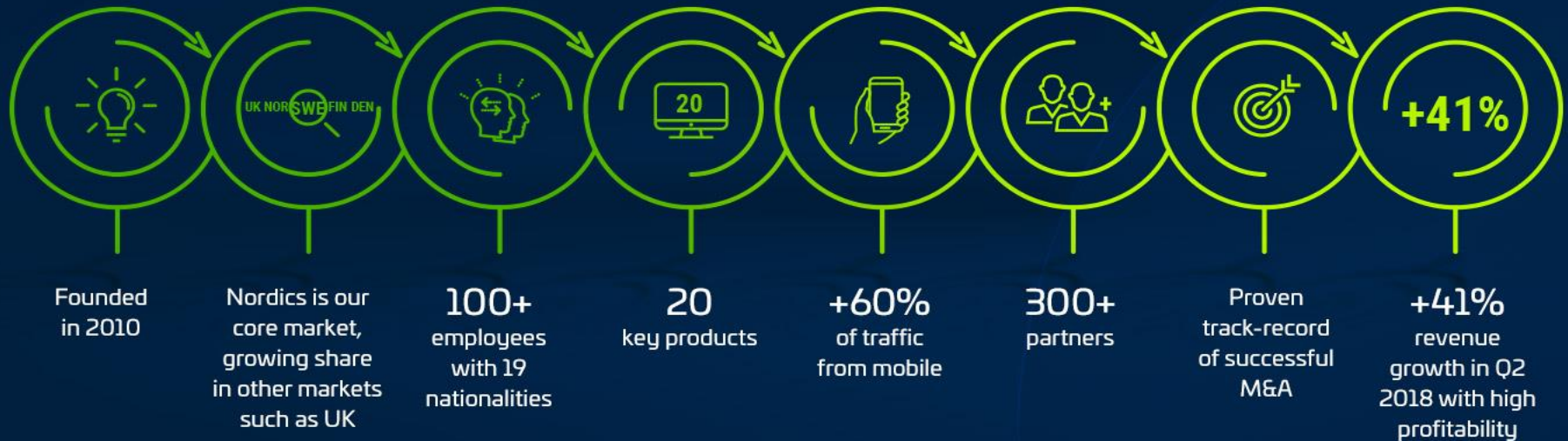


**Michael Holmberg**  
CEO



**Andreas Kovacs**  
CFO

# RAKETECH – ONE OF EUROPE'S LEADING AFFILIATE COMPANIES



## **RAKETECH'S MISSION**

“To guide and inspire people to informed decisions.”

## **RAKETECH'S VISION**

“To always be the first choice by driving the industry with users and partners at our core.”

# BUSINESS MODEL BUILT ON THREE PILLARS

M&A – acquired growth

Core – development of current products

Lab – new innovations

Acquisition capability

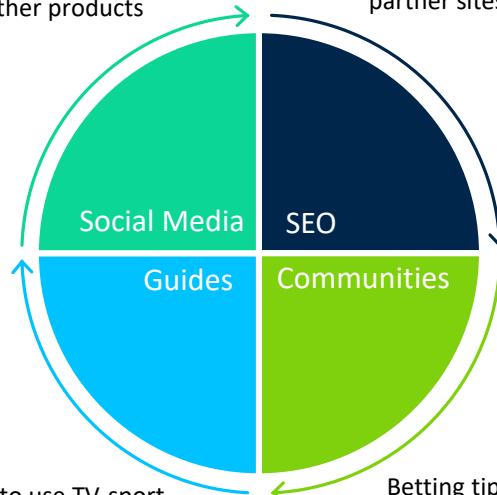
Continuous screening for new leads

Brand and geo expansion diversity

Tool to diversify the product portfolio

Drives traffic to Raketech's other products

High ranking sites providing NDCs to partner sites



Easy to use TV-sport guides on web, mobile and app

Betting tips and communities with high brand awareness

New technology and media

New markets

New products

Focus on innovation with a unique structure

Highly synergetic product ecosystem

# M&A STRATEGY

## M&A targets

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- **Primarily new technology**, expanding the lead generation and media offering

## M&A approach

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- **Focus on companies with know-how and skilled management teams leading to win – win partnership**
- **To cover potential gaps and drive new product innovation** in Raketech's service offering
- Broadening the product portfolio into **new markets**

## Example – Tvmatchen

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The logo for Tvmatchen.nu, featuring a white television icon with a black dot in the center, followed by the text "tvmatchen.nu" in a white, lowercase, sans-serif font, all set against a black rectangular background.

- **Founders with extensive experience** of building high-quality technological platforms
- Strong technical know-how in media platforms
- During Q2 roll out of these products in new markets Germany and the UK

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1	<b>DREAM VEGAS</b>	120 FREE SPINS	70 000 KR BONUS	<ul style="list-style-type: none"> <li>HELT NYTT MAJ 2018</li> <li>GIGANTISK VÄLKOMSTBONUS</li> <li>SNABBA OCH ENKLA UTTAG</li> </ul>	★★★★☆ DREAM VEGAS	TILL CASINOT
2	<b>NYSPINS</b>	200 FREE SPINS	10 000 KR BONUS	<ul style="list-style-type: none"> <li>CASINO UTAN KONTO + 20 GRATIS FS</li> <li>SYSTEMCASINO TILL VOODOO DREAMS</li> <li>GAMIFICATION + UTTAG PÅ 6 MIN</li> </ul>	★★★★★ NYSPINS	TILL CASINOT
3	<b>MR BET</b>	100 FREE SPINS	1 000 KR BONUS	<ul style="list-style-type: none"> <li>HELT NYTT CASINO 2017</li> <li>MASSA FREE SPINS</li> <li>SNYGGT &amp; TRYGGT CASINO</li> </ul>	★★★★★ MR BET	TILL CASINOT
4	<b>Speedy</b>	5 MINUTERS UTTAG	INGEN REGISTRERING	<ul style="list-style-type: none"> <li>NYTT CASINO UTAN REGISTRERING!</li> <li>UTTAG PÅ 5 MINUTER</li> <li>IMPONERANDE UTBUD OCH DESIGN</li> </ul>	★★★★★ SPEEDY CASINO	TILL CASINOT
5	<b>LeoVegas</b>	420 FREE SPINS	50 000 KR BONUS	<ul style="list-style-type: none"> <li>20 FREESPINS UTAN INSÄTTNING!</li> <li>ÖVER 900 SPEL ATT VÄLJA PÅ</li> <li>TROVÄRDIGT, SÄKERT &amp; UNDERBART CASINO</li> </ul>	★★★★★ LEO VEGAS	TILL CASINOT
6	<b>OMNIA CASINO</b>	50 FREE SPINS	1 000 KR BONUS	<ul style="list-style-type: none"> <li>NYTT CASINO MAJ 2018</li> <li>100% BONUS</li> <li>SOCIALT OCH NYTÄNKANDE</li> </ul>	★★★★☆ OMNIA CASINO	TILL CASINOT
7	<b>NO ACCOUNT CASINO</b>	10 % CASHBACK	INGEN REGISTRERING	<ul style="list-style-type: none"> <li>INGEN REGISTRERING + BLIKTSNABBA UTTAG</li> <li>10% CASHBACK VARJE TORSDAG</li> <li>FÖRST MED CASINO UTAN KONTO!</li> </ul>	★★★★★ NO ACCOUNT CASINO	TILL CASINOT
8	<b>Fruity Casa</b>	20 BONUSSPINS	1 500 KR BONUS	<ul style="list-style-type: none"> <li>NYTT 2018 + 150% BONUS</li> <li>20 BONUSSPINS VID INSÄTTNINGEN</li> <li>SNYGGT &amp; STILRENT</li> </ul>	★★★★★ FRUITY CASA CASINO	TILL CASINOT

Q2 2018 HIGHLIGHTS

## QUARTER HIGHLIGHTS

### Q2 revenues

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**EUR 6.0m**  
**QoQ growth:**  
**23.0%**

YoY: **41.3%**  
Organic growth: **24.5%**

### Q2 EBITDA (adj.)

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**EUR 3.2m**  
**QoQ growth:**  
**28.2%**

YoY: **25.4%**  
Adj. EBITDA margin: **53.7%**

### New Depositing Customers

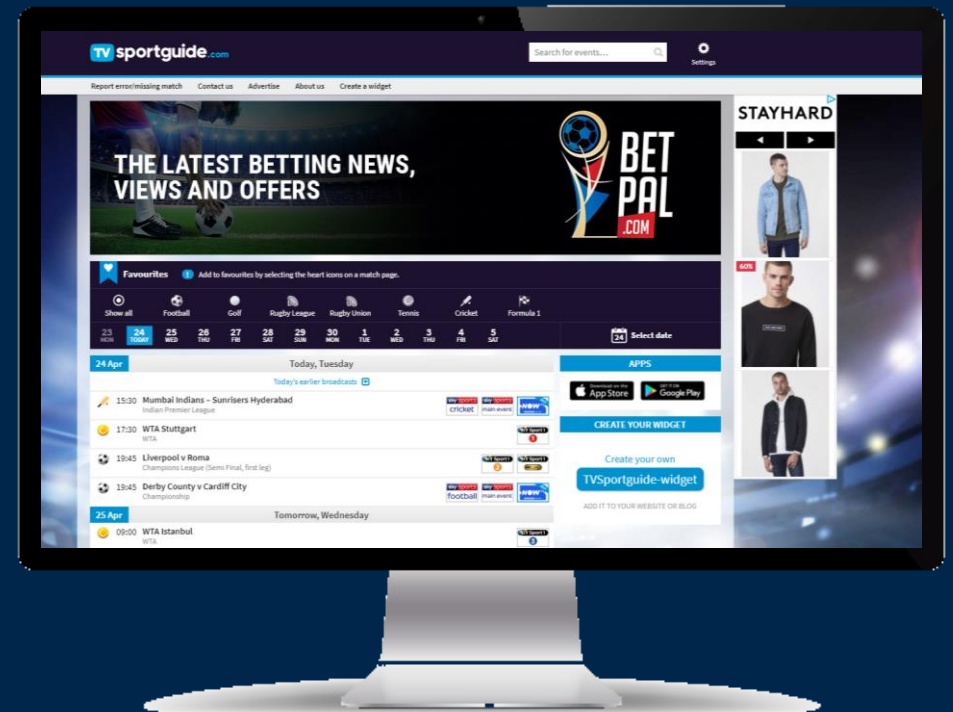
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**20,519 NDCs** during the quarter; an increase by **8%** QoQ



# QUARTER EVENTS

- **Successful IPO** on Nasdaq First North Premier
- High activity levels from **FIFA World Cup**
- Expanded cooperations with **Svenska Spel and ATG**
- **Acquisitions of Shogun Media and Mediaclever**, providing both attractive products and additional expertise in PPC and SEO
- **TV sports guides launched** in the UK and Germany
- **Re-launched flagship brands**
  - Casinoguide.se (Sweden)
  - Bettingsidor.org (Sweden)
  - Casinobonusar.nu (Sweden)
  - Casinoer.com (Norway)



# RESPONSIBILITY UPDATE

- **We work closely with our partners** to discuss our compliance strategy and share knowledge in the markets where we operate
- Revamp of product design and content strategy to ensure that **GDPR and regulatory compliance is always integrated**
- **GDPR** – updated privacy policies, content strategy and direct marketing inline with GDPR requirements
- **Roll-out of key UK compliance features in all markets** – responsible gambling messaging, more transparency of bonus offer T&Cs
- Incorporation of **robust compliance strategy on new acquisitions** and to gain approval to re-promote operators who cut ties with previous management



# Q2 2018 FINANCIALS

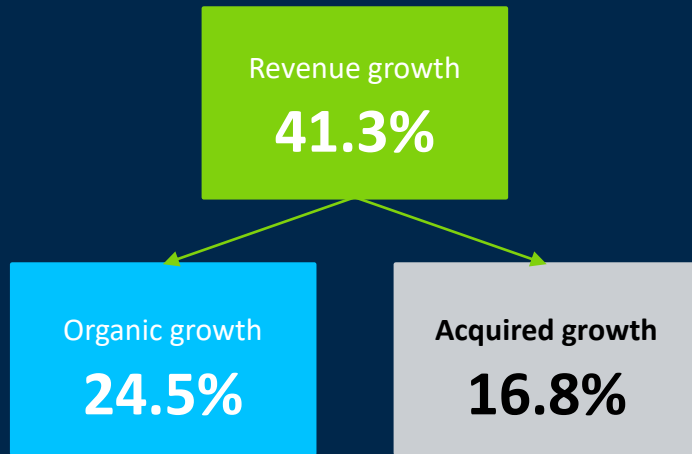
# STRONG QUARTERLY REVENUE GROWTH

CAGR last 24 months: **64.2%**

*Revenue growth of 23 % between Q1 and Q2 2018 driven by good performance and synergies between the casino platforms together with strong organic growth in Raketech's media platforms.*

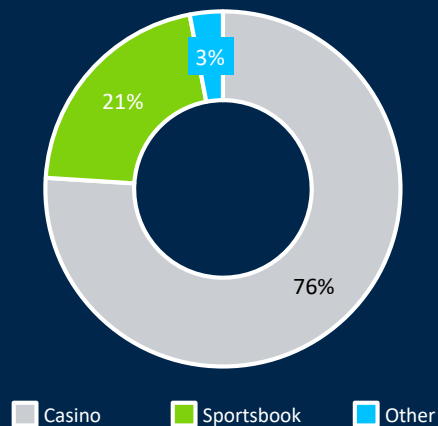


# STRONG REVENUE GROWTH

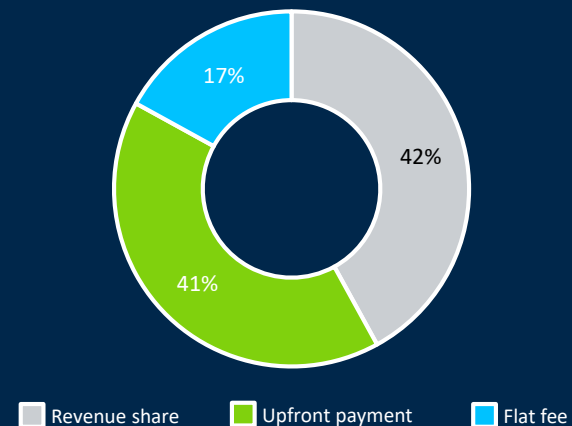


- **All time high revenues** in Q2 of EUR 6.0m
- **Strong revenue growth within the casino vertical** partly driven by the recent acquisitions
- **Boosted Cost per acquisition**, partly driven by the FIFA World Cup

Revenue split by vertical

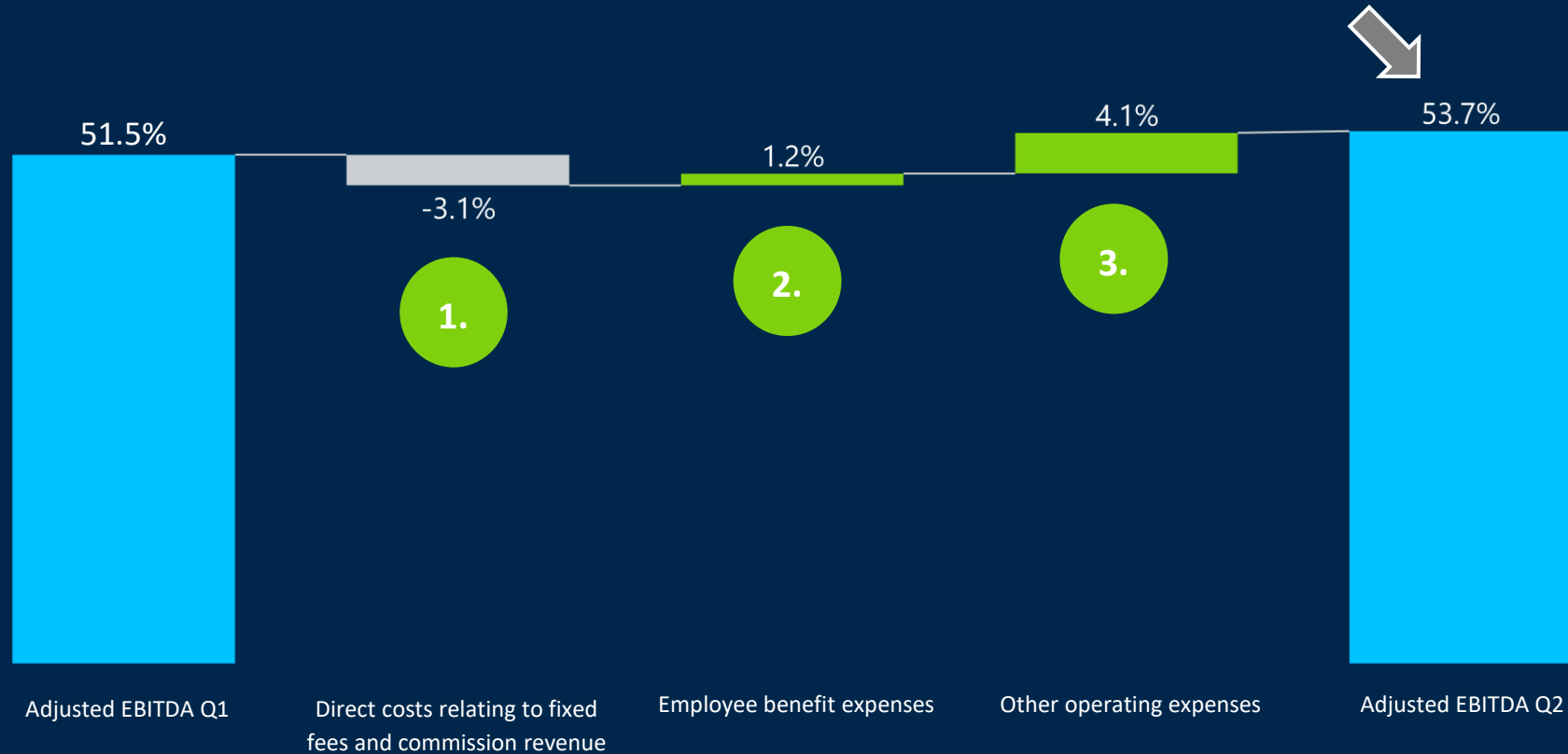


Revenue streams



# EBITDA DEVELOPMENT

Adjusted EBITDA margin increased by 2.2 % from Q1 to Q2



1. Increased direct costs in line with the transformation towards increased portion of external content and development.
2. Personnel costs in relation to revenue decreased by 1.2%. Personnel costs in Q2 was negatively affected by the extraordinary costs for the roll out of new products within the media segment.
3. Other operating expenses adjusted for IPO-related expenses decreased in Q2 compared to Q1.

## STATEMENT OF FINANCIAL POSITION

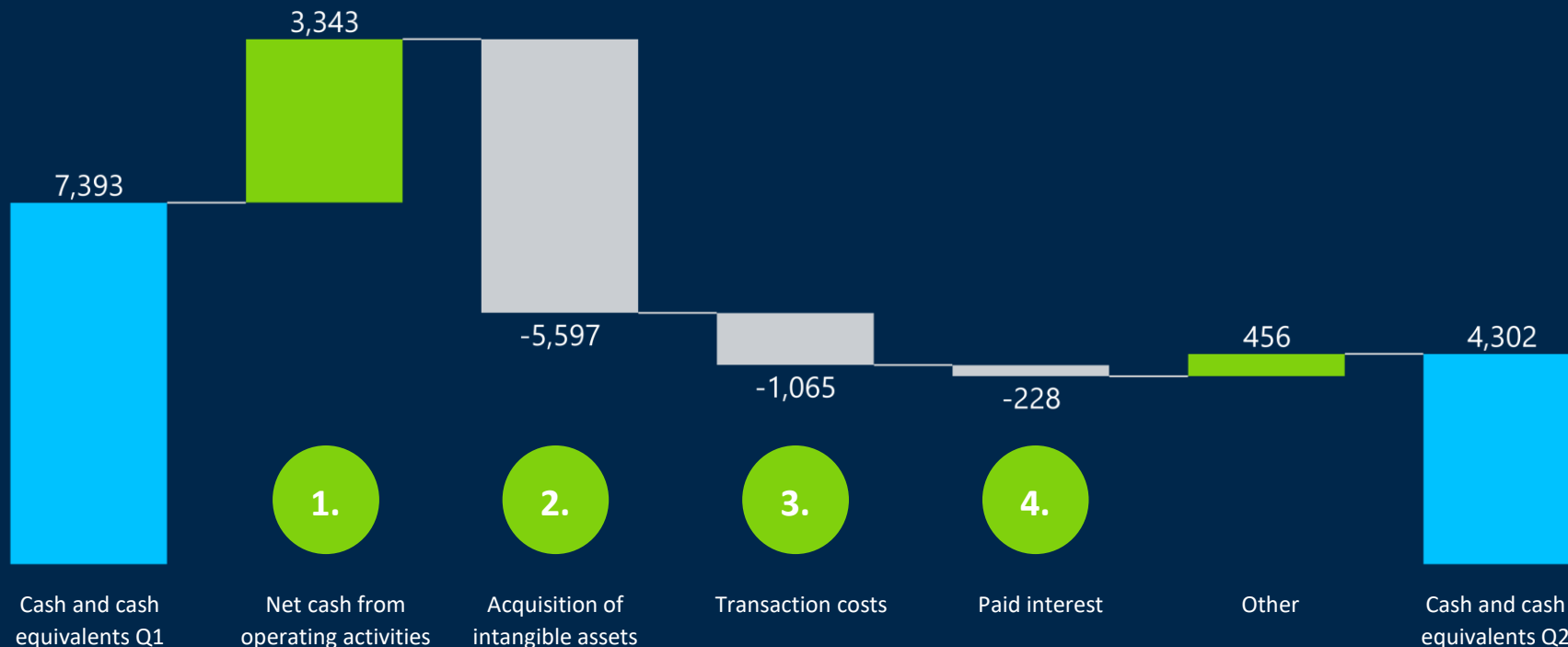
## BALANCE SHEET | 30 JUNE 2018

- Total assets amounted to EUR 106m and consist mainly of Intangible assets including Goodwill, post the acquisition of Shogun Media Ltd during Q2.
- Borrowings relate to the loan facility towards Ares Management.
- Amounts committed of EUR 6.5m consist of the expected earn out liabilities.
- Other receivables relate mainly to the funding related to the new share issue, in line of the listing of Raketech's shares on 29 June 2018. The amount of SEK 400m was received on 2 July 2018.

Goodwill EUR 1.1m	Equity EUR 55.0m
Fixed assets EUR 58.7m	Amounts committed EUR 6.5m
Other receivables EUR 42.3m	Borrowings EUR 37.4m
Cash and Cash equivalents EUR 4.3m	Other EUR 7.5m

# CASH FLOW





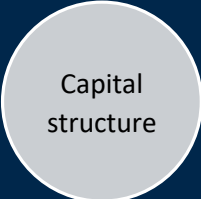

*Strong cash conversion of 1.8x EBITDA  
(Cash conversion = Net cash flow from operations / EBITDA)*



1. Strong net cash from operations of EUR 3.3 m affected by the positive working capital development.
2. Acquisition of intangible assets of EUR 5.6 m relate to the acquisitions of assets related to Mediaclever AB and the majority of the shares in Shogun Media Ltd.
3. Effect from capitalised transaction costs during Q2 amounted to EUR 1.1 m
4. Paid interest of EUR 0.2 m during the quarter related to the loan facility.

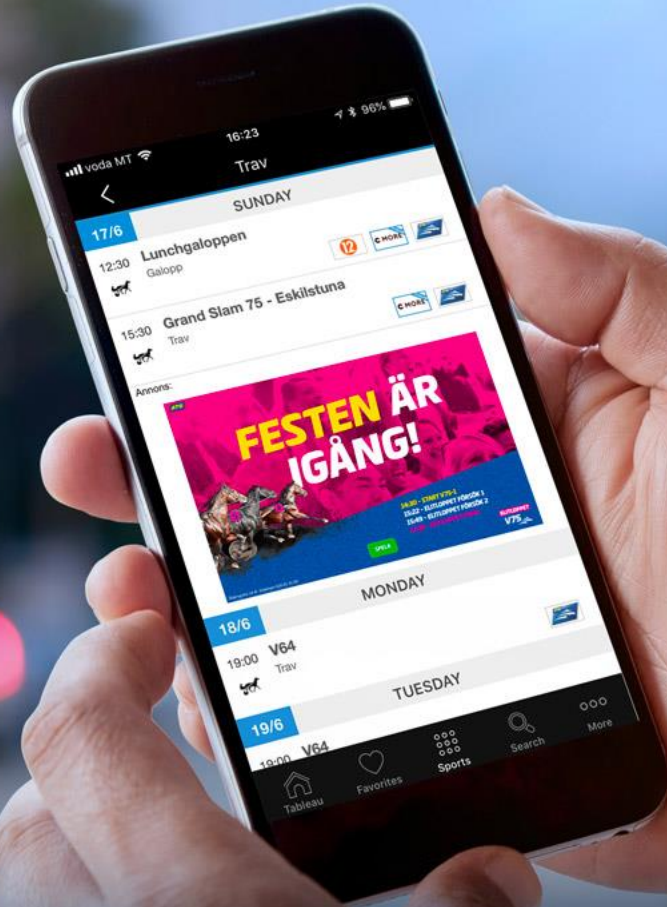


# FINANCIAL TARGETS

	Financial target	Q2 Performance	
 Growth	In the short <sup>1</sup> to medium term Raketech targets annual total revenue growth in excess of 30 per cent on average, including acquisitions and organic growth in excess of 10 per cent. The total revenue growth is subject to availability of and successful completion of potential acquisitions.	<b>41%</b> Revenue growth of which organic growth <b>25%</b>	
 Profitability	In the short <sup>1</sup> to medium term Raketech targets an adj. EBITDA margin exceeding 50 per cent.	<b>54%</b> adj. EBITDA margin	
 Capital structure	In the short <sup>1</sup> to medium term Raketech targets a Net debt / EBITDA ratio between 1.5 and 2.5. The company may elect to operate temporarily outside this span under certain circumstances during limited time periods, e.g. as a result of acquisitions.	With consideration to the new share issue Raketech's leverage ratio equals to <b>0x</b>	

1) Short term refers to from year 2020

# REGULATION UPDATE



# RAKETECH'S STRATEGY FOR THE UPCOMING RE-REGULATION IN SWEDEN

## Pre regulation strategy

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Choice of partners



Choice of revenue model

## Post regulation strategy

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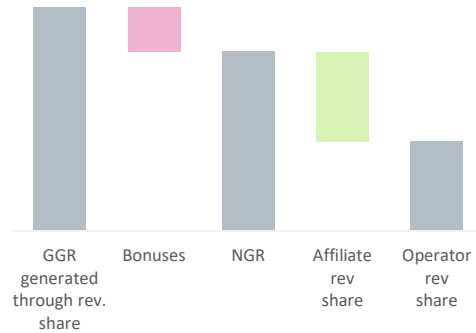
Securing continued  
beneficial terms for  
revenue share contracts



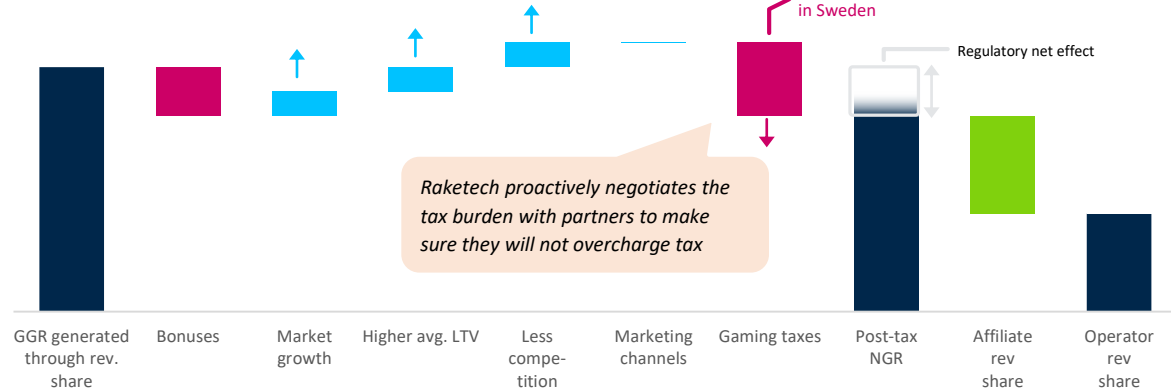
Choice of revenue model

# ILLUSTRATIVE OVERVIEW OF REGULATION EFFECTS ON NEW REV-SHARE DEALS

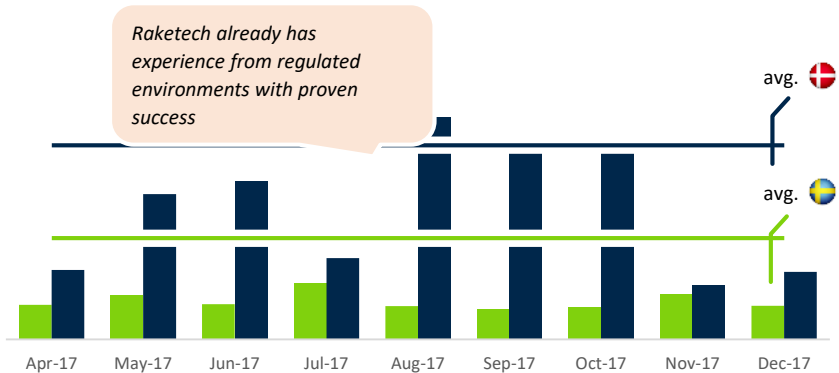
Illustrative breakdown of revenue share contracts on an un-regulated market



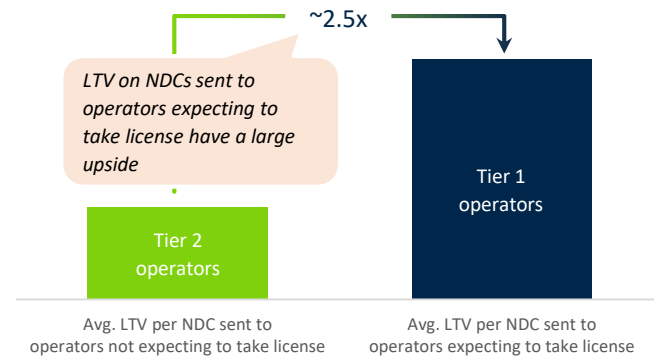
Illustrative breakdown of revenue share contracts on a regulated market



Illustrative revenue/NDC of comparable sites on the Swedish vs. Danish market



Illustrative lifetime value (LTV) of NDCs on an un-regulated vs. a regulated market





# SUMMARY

SUMMARY

## KEY TAKEAWAYS

- **Strong quarterly revenue and EBITDA growth**
- **Continued good delivery from business model** with new achievements in Core, Lab and M&A
- Focus on **product compliance**
- Continued preparations for **Swedish regulation**
- Start of Q3 **in line with expectations**





Q&A

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