

RAKETECH

Q1 2024 Report Presentation

RAKETECH

Q1 2024

- 01. Highlights
- 02. Financials Q1 2024
- 03. Key takeaways
- 04. Q&A



Johan Svensson
Acting Chief Executive Officer



Måns Svalborn
Chief Financial Officer

Q1 Financial Highlights

SUSTAINED REVENUE GROWTH DESPITE UNEXPECTED CHALLENGES

- Group revenue totaled EUR 19.0 million, an organic increase of 20.1% Y/Y
- Adjusted EBITDA of EUR 5.1 million, a decrease of -17.2% Y/Y
- EBITDA of EUR 4.3 million, a decrease of -29.9% Y/Y

- Sub-affiliation continued to be the contributor to our organic growth
- Decline within Affiliation Marketing impacted our EBITDA

- Revised full-year guidance
- Current trading, including April, implies an adjusted EBITDA of around EUR 20 m for the full year
- Free cash flow before earnouts for the full year is estimated to come in just below the adjusted EBITDA

19m

REVENUE

Y +20.1%
Q -16.8%

5.1m

Adj. EBITDA

Y -17.2%
Q -15.8%

4.3m

EBITDA

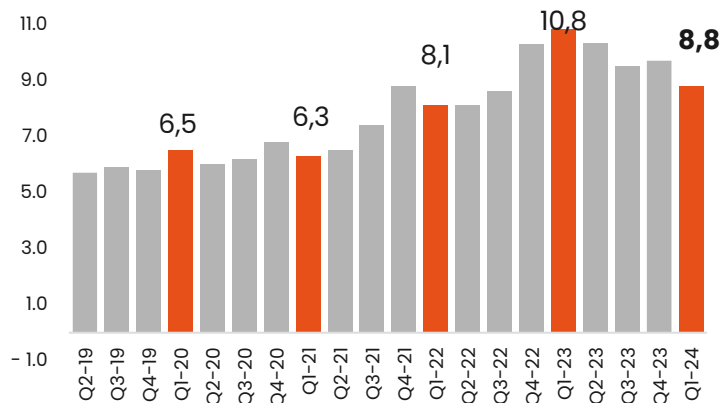
Y -29.9%
Q -28.7%

Q1 Operational Highlights

Affiliation marketing

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

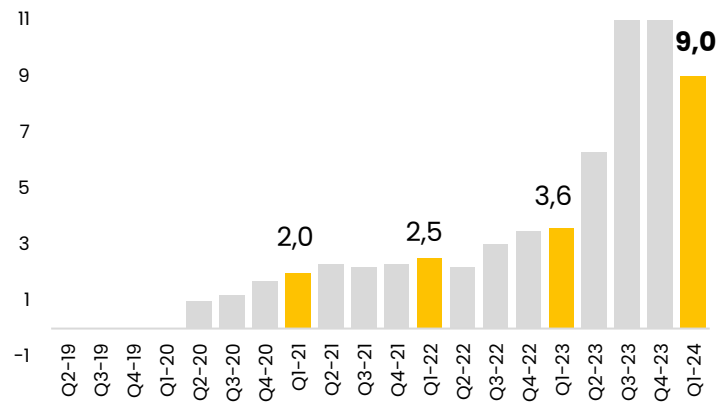
- **Negative organic revenue growth by -18.5%**
- Impacted by weak performance from our Casumba assets, and strong comparison Q1 for Sweden



Sub-affiliation

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

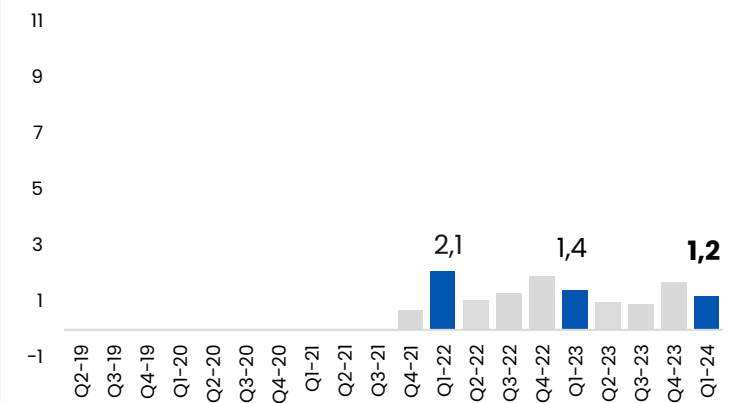
- **150% organic revenue growth**
- Raketech Network slower sequential quarter, Y/Y revenue growth driver with 23% gross profit margin
- Migration of Raketech Network business into Affiliation Cloud H2 2024



Betting tips and subscription

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

- **Negative revenue growth by -15% for betting tips and advice**
- Advisory decreasing Y/Y
- Increased traffic on main sites, subscription and affiliation driving future US growth



Operational review and strategic initiatives

AFFILIATION MARKETING

Counteract negative organic growth

- ✓ New operational model and restructuring
- ✓ Partnerships with entrepreneurs for securing the right competence
- ✓ Active approach to lower SEO dependency
- ✓ Grow our sports vertical
- ✓ Increase CRM activities
- ✓ Increase our customized partnerships

SUB-AFFILIATION

Transfer sub-affiliation into AffiliationCloud

- ✓ Sub-affiliation launched in the US
- ✓ Transfer entire sub-affiliation business into AffiliationCloud to leverage our proprietary product further
- ✓ Strong focus on commercial aspects of AffiliationCloud as a platform
- ✓ Further development and commercialization of the entire business area

BETTING TIPS AND ADVICE

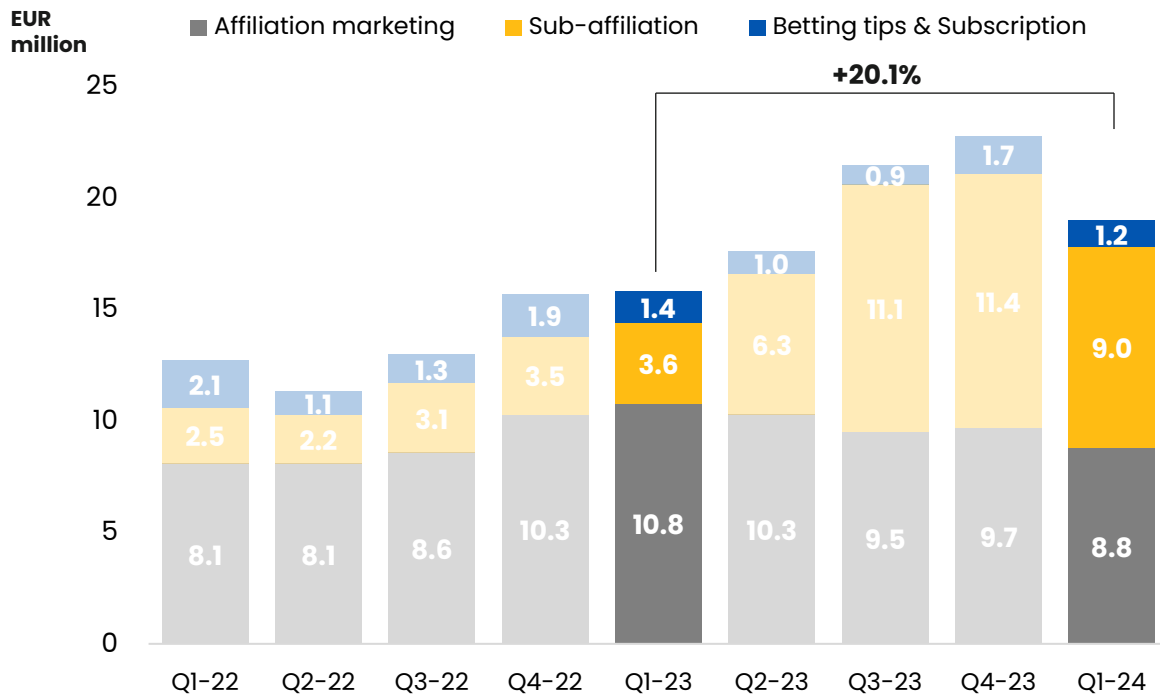
Streamline and turnaround US to growth

- ✓ US tipster business today consists of two models, advisory and subscription
- ✓ Advisory is a manual sales process depending on tipster sales team
- ✓ Digitalizing tipster business into subscription model, conversion on website
- ✓ Actively reviewing US tipster strategy
- ✓ Maximize the potential of our US Affiliation Business, Q1 record quarter so far

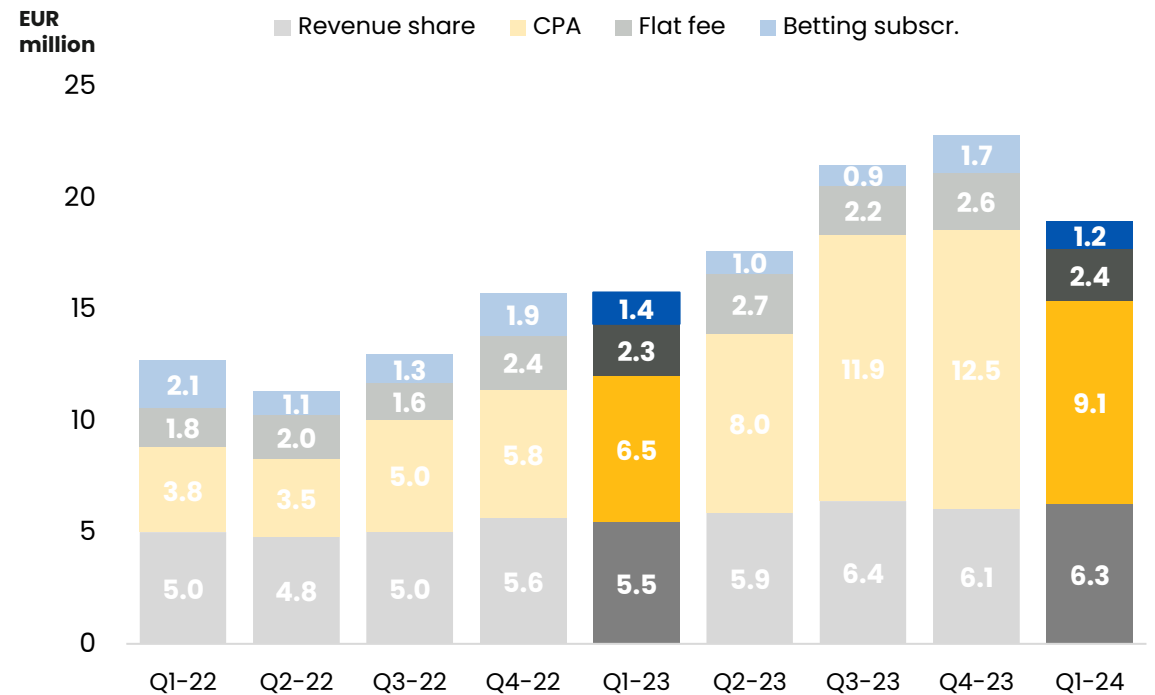
Financials Q1 2024

Sub-affiliation growth with increasing rev share

Revenue streams



Revenue mix

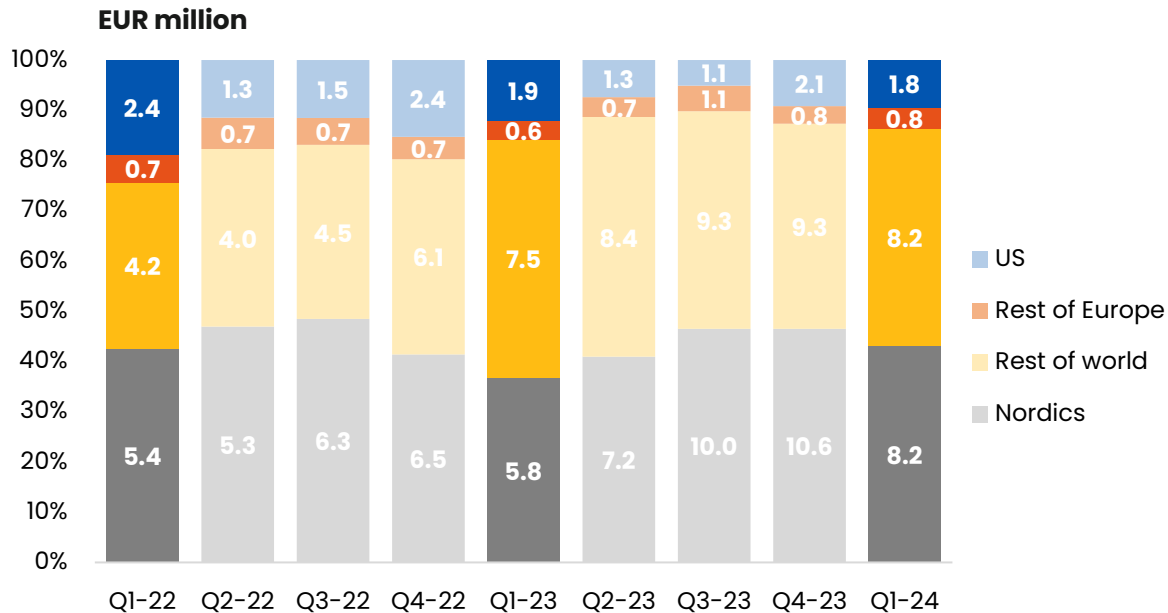


- **Affiliation marketing** at 46% of total revenues in Q1, Casumba assets impacted by Google update, tough comps for Sweden while other regions stable to positive.
- **Sub-affiliation** at 47% of total revenues with good demand from publishers
- **Betting tips & subscription** at 7% of total revenues, not on par with expectations.

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

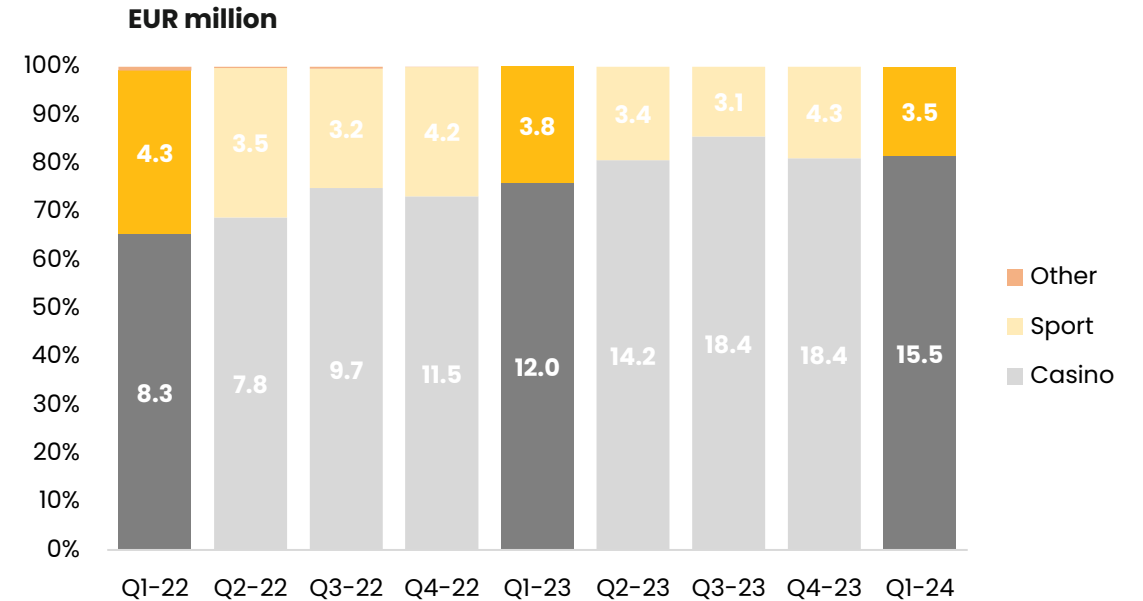
Increasing share of Casino through Sub-affiliation

Region split



- **Nordics** growth driven primarily by increased Network sales (sub-affiliation), tough comps for Sweden but stable performance
- **Rest of World** lower through Casumba
- **US** not in line with expectations

Vertical split

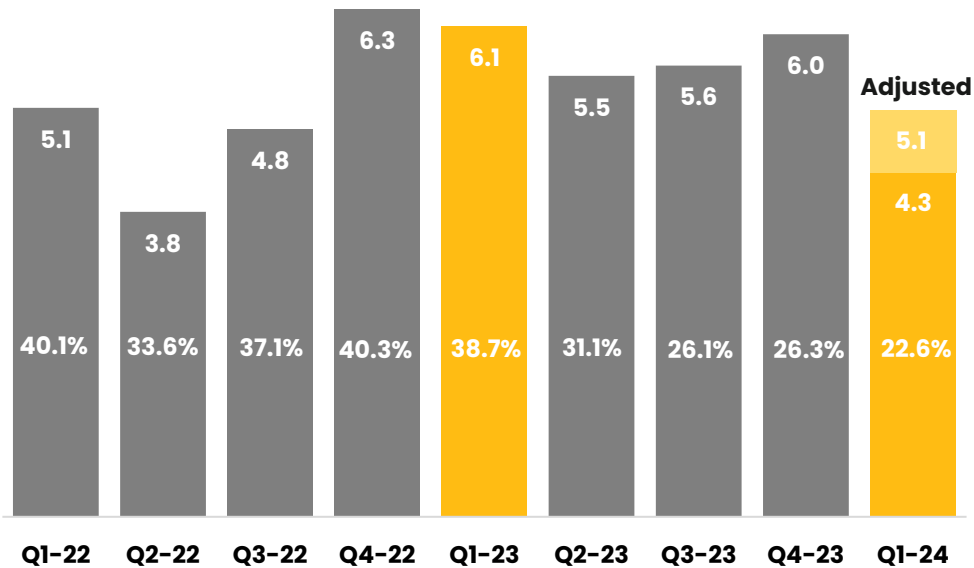


- **Casino** at 82% with high share of casino revenues within Sub-affiliation/Network.

Strong free cash flow before earnouts

EBITDA and margin quarterly

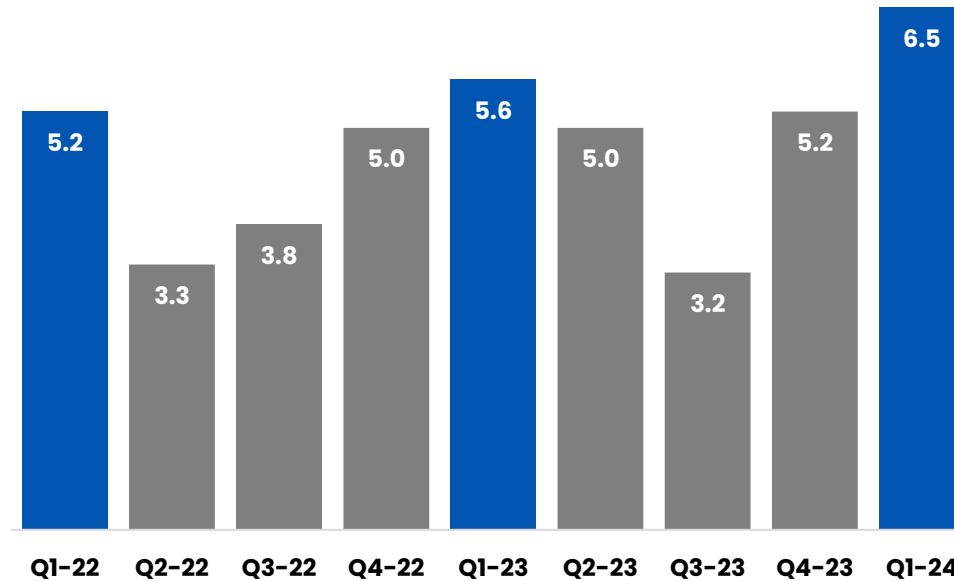
EUR million



- EBITDA impacted by softer development in Casumba and Swedish assets
- Strong EBITDA contribution from sub-affiliation with a gross profit margin of 23%

Free cash flow quarterly, before earnouts and acquisitions

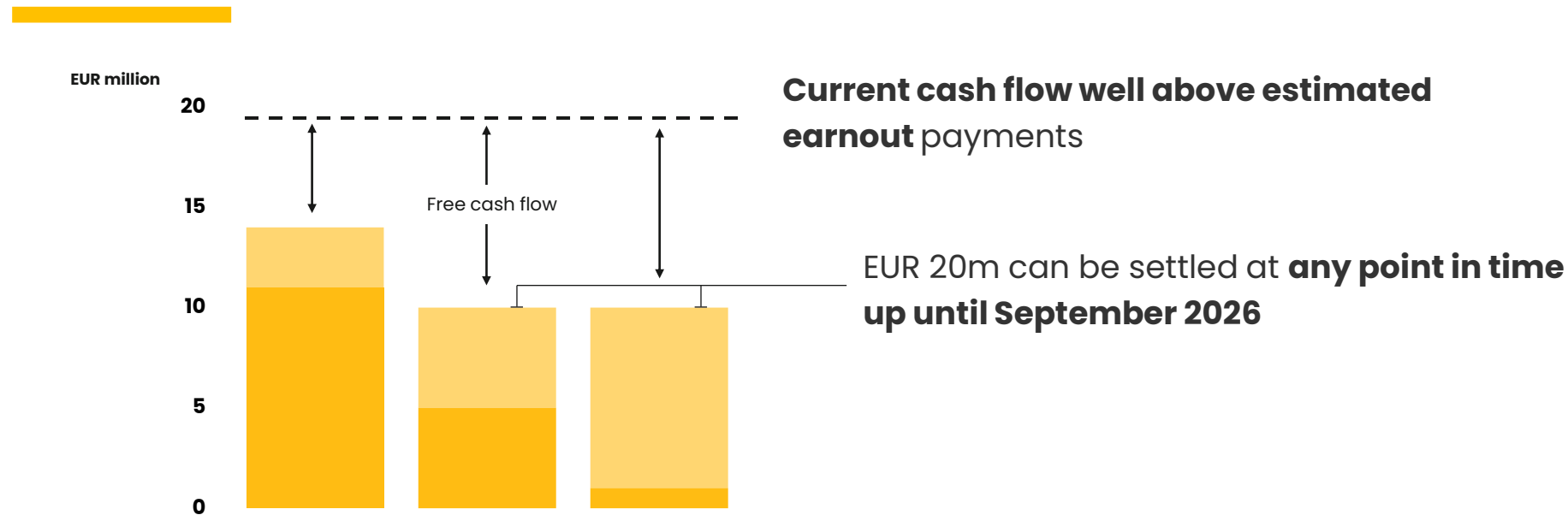
EUR million



- Strong free cash flow before earnouts, from positive working capital
 - EUR 13m settled in earnouts during the quarter
- Free cash flow for the full year estimated just below Adjusted EBITDA

Financial flexibility for upcoming earnouts

Estimated earnout settlements



	Q2'24 – Q1'25	Q2'25 – Q1'26	Q2'26 – Q1'27	Total
Estimated earnout to settle	14m	10m**	10m**	34m
Cash	11-14m	5-10m	1-10m	25-34m
Equity (at RT discretion)	0-3m*	0-5m*	0-9m*	0-9m*

* Settlement in shares at full discretion of Raketech

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

Key takeaways and outlook

Financials

- Revenues of EUR 19.0m
- 20.1% organic growth
- Adjusted EBITDA of EUR 5.1m at 26.7% margin
- Strong growth in sub-affiliation +150% compared to Q1 2023
- Strong free cash flow before earnouts in the quarter

Key takeaways

- **Affiliation Marketing:** Driving turnaround for organic growth
- **Sub-affiliation:** Stable performance, increased profit margin
- **US Tipster & Subscription:** Digitization driving future revenue growth, reviewing advisory business

Outlook and way forward

- April revenues EUR 5.9m in-line with April 23
 - Final phase of Casumba earnout, minor material changes
 - Dividend proposal from Board of Directors withdrawn
- **Revised 2024 full year guidance**
- Current trading, including April, implies an adjusted EBITDA of around EUR 20 m for the full year
 - Free cash flow before earnouts for the full year is estimated to come in just below adjusted EBITDA

Q&A

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Thank you!