Annual Report

and financial statements | **2019**

RAKETECH

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Raketech at a glance

Raketech is a performance marketing company that primarily operates within the iGaming and sports betting industry.

Raketech's role is to link iGaming operators with iGaming players by providing fact-based and relevant content that supports players to make correct and informed decisions.

The Company was founded in 2010. Today, we are more than 80 employees mainly located in Malta. We offer high quality content and relevant guidance to online players throughout our product portfolio. Since June 2018, the Raketech share is traded on the Nasdaq First North Premier Growth Market. Raketech's operations rest on three pillars – Core, Lab and M&A. These operational areas allow Raketech to choose the optimal path for growth. In Core, our existing products are further developed. In Lab we develop new products or partnerships that further strengthen our offering. And through acquisitions (M&A) we are able to complement existing offering or enter new markets, and thus build our company for the future. In the long term, assets and products from Lab and M&A are integrated into Core.

Raketech's role is to link iGaming operators with iGaming players by providing fact-based and relevant content that supports players to make correct and informed decisions. We do this through flagship brands such as CasinoFeber.se, casinoguide.se, betXpert.com and TVmatchen.nu. Raketech reaches out to players via four different product categories: Comparison products, Communities, Guides and Social Media Platforms, all of which enable players to access and exchange valuable information about sports, casino and other games.

At Raketech we put high emphasis on developing and securing long term partnerships. Through our partnership structure we are able to tie successful and driven entrepreneurs with specific know-how in certain areas to our company. We provide a well-established network with experts, sales capacity and other resources. One important tool for securing future growth is to continuously identify and evaluate suitable acquisition targets that complement our existing business.

2019 in brief

Year 2019 for Raketech has been characterised by changes, both externally and internally. Externally through the adoption of the new gambling legislation in the Swedish market and internally through organisational changes and continued efforts to expand geographically and diversify our product mix. Consequently, we are strengthening our organisation for future expansion. Some of the major events that characterised 2019 for Raketech are summarised below.

March, 2019

We took the final step in optimizing the capital structure post-IPO, when we repaid the outstanding debt of € 7.7 million from the previous loan facility. As a result of the payment, Raketech decreased its financial expenses by approximately € 0.2 million per quarter.

June, 2019

Through our scalable technical platform and as a result of our continued efforts to increase our international footprint, we expanded into Canada with the launch of CasinoFever.ca, an online casino comparison website tailored for the Canadian market.

Jan, 2019

TVmatsit.com

April, 2019

We continued to expand our offering of online sports TV listing platforms by acquiring Finland's leading sports listing website TVmatsit.com. The website is a highly popular platform that generates traffic organically by delivering a complete guide to sports broadcasting in Finland and through a successful media buying strategy.

June, 2019

The Board of Directors initiated the buy-back of shares pursuant to the authorisation obtained during the Annual General meeting in May. In November, the programme was terminated until further notice after a decision by the Board. A total of 487,000 shares, equivalent to 1.3 % of the total number of shares and votes in the Company, were repurchased as part of the buy-back programme.

June, 2019

We launched the new consumer-facing online casino product called Rapidi.com to gain valuable data insight. Rapidi caters for players looking for a fast, secure and user-friendly online casino experience. The project was developed via Raketech's Lab and has been used in order to collect player activity that will be used to enhance Raketech's core affiliate assets and improve lead conversion.

CASUMBA MEDIA

August, 2019

We took the next step in our geographical expansion with the acquisition of Casumba Media Ltd, with operations mainly in Japan. Casumba offers affiliate websites in the Japanese market and this acquisition has marked Raketech's establishment of operations in the Japanese market, an emerging market in iGaming.

Dec, 2019

November, 2019

We recruited Måns Svalborn, who took over as the new Chief Financial Officer (CFO) in December. Former CFO Andreas Kovacs has been appointed as Director of Business Development, where he will fully focus on the execution of Raketech's growth strategy.

December, 2019

The Board appointed Oskar Mühlbach as the new President and Chief Executive Officer (CEO).

CEO foreword

2019 got Raketech off to a flying start. Thanks to the new regulatory landscape in our most important market Sweden, the operators were fighting to take pole position. The marketing budgets were initially generous which made our CPA and flat fee sales very successful. Q1 revenues landed on € 6.5 million which was in line with, or above our expectations with a confident EBITDA margin of well over 50%.

During the rest of 2019 we were however faced with drastically lowered player values and reduced marketing appetite from the operators. This, in combination with a lack of major sports events and few or no new casino trends to fill the hole from 2018's mega success with no-account casinos, made it difficult to navigate, leaving Q2 revenues of € 5.7 million which was lower than previous year and lower than we had hoped for.

And with this fact, our strong Swedish casino footprint that previously had been a strength, became a weakness. Due to this we therefore initiated a series of initiatives to mitigate the situation and focused initially on a complete operational revamp in which we not only changed our operative ambitions from regional to global, but also increased our operational ability by adding several highly skilled central experts within areas spanning from technical SEO, outreach link building to paid social media and paid programmatic as well as adding personnel to senior management positions. Furthermore, we ensured technical platforms such as the TV-sports guide infrastructure and our sports-odds and information databases were rebuilt in order to be able to service multiple markets in a scalable way.

In addition to the above we also put extensive focus into building a strong Business Intelligence department with standardized and automated reporting by implementing and integrating Microsoft Power BI into our daily business throughout the company and on all levels.

During 2019, we made two acquisitions; TV-Matsit in Finland to complement our TV-sports guide family and Japan-focused Casumba Media, with which we added our first and strategically important non-European revenues. Q3 revenues, including acquisitions, landed at € 6.0 million which was comforting yet not satisfactory.

Q4 started on the same slow trend as the previous two quarters for us and the industry and in December the Board of Directors decided to appoint me as the Group CEO. Despite the slow start, the quarter eventually finished off strong due to a slight market upswing and a series of targeted efforts from our side. The severance to the previous CEO, an increased provision for debt reserves and the relocation of our Danish office in combination with a larger than usual portion of sales originating from paid media however lowered our margins to the extent that we issued a profit warning for the fourth quarter in early January of this year.

Being an affiliate heavily dependent on Swedish casino revenues during 2019 was, without exaggeration, a difficult situation to be in. Thanks to our stable operative performance and ability to adapt as well as our focus on BI and operational efficiency we, despite these tough market conditions, managed to deliver a record intake of NDCs (108 thousand) and revenues for the year were only slightly behind those of the previous year (-6%).

When I was appointed Group CEO, I was given the clear mission to expand the business into new markets with an improved offering. And this is also why we have initiated our journey of transforming Raketech from a local/regional "affiliation only" provider into a tech-driven and innovative global performance marketing company. In short, this means that we will use any channel available - from organic comparison websites to social media, retargeting and banner ads - to ensure our customers get the most out of their marketing spend. This transformation will be fueled by a clear M&A focus, first and foremost targeting new technologies, competences or geographies.

We operate in a fantastic and high paced industry which is currently going through a metamorphosis which basically is turning the world into a digital playground for global iGaming giants. The opportunity for Raketech to help these giants to navigate through the increased level of complexity, compliance and various marketing channels is mind blowing. In other words; tough perhaps - but exciting times ahead.

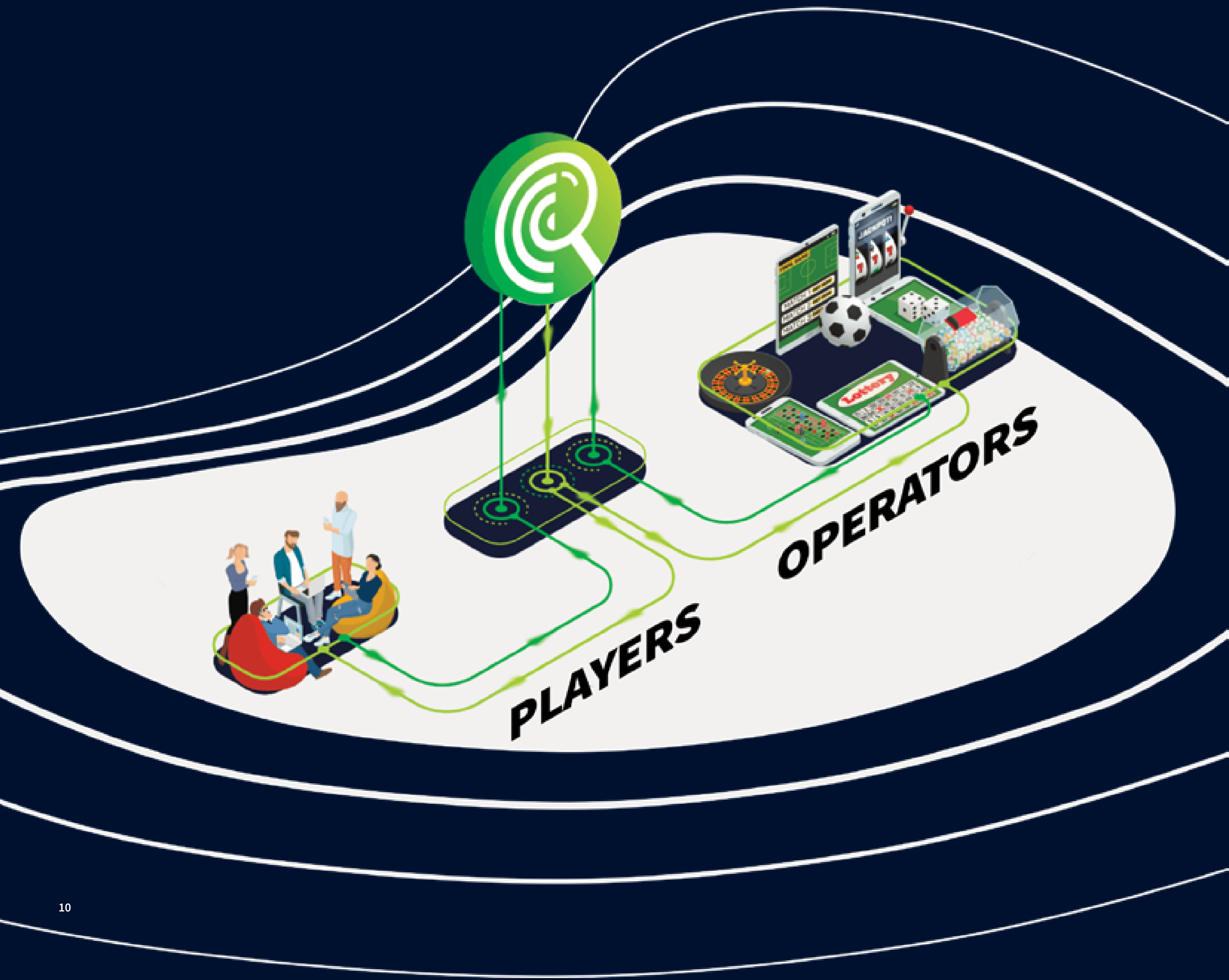
On a final note, prior to the publication of this annual report Raketech issued a statement with regards to Covid-19 and the possible impact on the Company. We monitor the development of the virus and its potential effects on the industry closely. Raketech do not anticipate substantial negative effects on the iGaming industry in the long term, even though sports betting revenues most likely will be affected negatively during 2020 due to the many cancelled sports events. In parallel, gambling revenues are to some extent expected to be directed towards digital gambling and casino. Exactly how the combination of the reduced sports betting revenues for the industry and the increased interest for digital casino will affect Raketech during 2020 is at this stage too early to predict with certainty.

Oskar Mühlbach
Chief Executive Officer

Photo: ***Majda Toumi***

Our business model

The majority of Raketech's revenue streams are from online casino and online sports betting, where we provide iGaming operators with high-quality traffic and exposure to visitors. Raketech is a direct link between supply and demand in the iGaming market.



RAKETECH IN THE IGAMING VALUE CHAIN.

Affiliate and performance marketing companies such as Raketech provide primarily comprehensive information, reviews and analyses of the operators and games and betting odds to online players. By delivering high-quality content with relevant and up-to-date information, we provide a service that matches the online player's individual preferences and requirements. We provide relevant information to online players, who in their turn select the right operator for their needs.

We are matching the online players with the right operator for their needs and for those leads which will generate revenue to the operators we receive an agreed fee.

HOW WE ATTRACT ONLINE PLAYERS

In general, affiliate and performance marketing companies such as Raketech provide different types of marketing channels:

Lead Generation

Lead-generating products within the iGaming market, mostly via comparison products, attracts online players and refers those players to iGaming operators. These products usually have high ranking on Google due to its relevance leading to elevated conversion of the traffic entering our assets within Lead generation.

Media

Our media products attract visitors primarily through direct traffic. Products in this category include online guides and online communities that consist of informative and interactive content, such as news, blogs, game tips, live score and TV guides. Media products help increase user awareness about brands, as well as create a stronger preference for a particular advertiser and tend to generate a large amount of recurring traffic both on desktop and through applications.

HOW WE OPERATE

Raketech's operation is based on three pillars - our operating areas: Core, Lab and M&A. Our primary focus is to ensure future growth by developing existing Core products to improve the player journey leading to improved ranking results and consequently increasing traffic to our sites. To stay ahead of the technical development, we also need to drive innovation and build new products which we do both in-house and through partnerships. This is done in the Lab where we allow ourselves to test new creative ideas and give these products extra attention.

Thirdly, we focus on strategic M&As, which are primarily used to enter new markets or secondarily to add specific knowledge that can be used to increase overall efficiency throughout our product portfolio. Through our operational areas, Raketech can always choose the optimal path for growth. We have a well-established M&A strategy in place that we can execute on when acquisitions are identified as the ideal way forward for future growth. When internal development is the right strategy, we use our existing internal operational platform.

Our products

Raketech's product portfolio is divided into four product areas: comparison products, communities, online guides and social media.

Comparison Products

The backbone of our operative model is SEO (search engine optimisation) that allows us to offer iGaming users relevant and up to date information from a wide selection of digital products. Comparison products is a collection of comparison sites, which include websites that rank high enough for relevant keywords on search engines such as Google. The products provide visitors with the latest and most relevant information in order to make an informed decision within each subject area. We strive to offer high quality content to attract as much and as relevant traffic as possible, and for potential players to be directed to gaming operators at the next stage.

Communities

Community websites contain discussion forums, daily betting tips, informative data, and statistics in various sports. Our Communities provide users with the latest information based on user interests, thus attracting a high number of returning visitors. The communities attract new users through searches, but also by providing users with a product that stands out through its content, design, ease of use and functionality. High activity by Raketech users in our communities' products increases the number of visitors primarily through recommendations.

Social Media

We use social media to create a sense of community in online forums, thereby spreading information about the Group's new and existing products. We also see social media as a good tool for driving traffic. Sports betting sites tend to perform highly on social media as the modern sports customer often uses social media to find the latest news, views, and tips. We reach out to a wide range of sports and gaming users via social media. Online communities such as Betting.se is an example of products that generate referrals and user activity via social media. We furthermore use social media to run targeted paid campaigns to generate relevant traffic to Operators or other products within our portfolio.

Guides

Online guides are media products provided through websites and mobile applications, containing specialist information for specific segments. It gives the user all the content sought, while giving userfriendliness and functionality a priority. The main focus of these products is to build long-term relationships with users, thereby achieving high customer loyalty and recurrence rates.

Rapidi

During 2019, we launched the new consumer-facing online casino product called Rapidi.com to gain valuable data insights. The project was developed via Raketech's Lab and has been used in order to collect player activity that will be used to enhance Raketech's core affiliate assets and improve lead conversion. Besides adding a small revenue contribution to the Group we primarily use the data from Rapidi as a reference/index to better understand the performance of our customers i.e. the operators. This understanding helps us help them to make better use of traffic sent from our network.

A strategy for growth

Raketech's strategy to achieve our objectives and vision is supported by a few operational goals that serve as guidance to ensure we benefit from current macro trends but also to ensure we limit our risk exposure.

3 Continents with min 10% of Group revenue from each

Raketech will operate on at least three continents to ensure we can meet our customer's increased demands but also to limit our risk of being largely affected by sudden changes in the legislative landscape or changes in technology.

Less than 60% of revenues from a single vertical

It is important to have a wide coverage within all iGaming verticals, from casino to sports to poker, etc. Not only to reduce the risk from sudden legislative changes or taxes but also to meet our customer's demand for larger full coverage marketing. We believe a healthy mix would be to not have more than 60% revenue from any single vertical.

4-5 Global Products

We set out to have 4-5 global flagship products, such as our TV-sports guides, that we manage centrally but operate on multiple markets of strategic importance to us and our customers. In addition to being able to grow with existing customers it also means we can benefit from scale both in terms of operational efficiency but also user experience. Local markets can benefit from what is being produced and developed on other markets.

4-6 Product Categories

We aim to have a wider product offering, defined as 4-6 unique categories. This is essential to be able leverage on the current macro trends and to be an even more important partner to our customers. A category is for instance Comparison sites or Communities.

Financial targets

To ensure that the Group delivers on the strategy, the Board of Directors has agreed on a set of financial targets. These targets are meant to serve as a mid-term guide in planning and budgeting processes as well as for external target groups to better understand the Group's ambitions.

Leverage

Raketech targets a Net Debt to EBITDA ratio in the range of 1.5-2.5x. The Group may choose to operate temporarily outside this span under certain circumstances during limited time periods. During 2019, only two acquisitions were completed, both acquisitions financed by Raketech's own cash flow, leading to a net cash position for the Group as at 31 December 2019.

Dividend policy

Raketech operates in a growing market under ongoing consolidation. In order to capitalize on the existing growth opportunities, the Group intends to prioritize growth activities, including acquisitions. Any dividend paid will be subject to Raketech's overall financial position, growth prospects, profitability, acquisition opportunities and cash flow. In 2018 and 2019 no dividend was paid out or proposed to the Group's shareholders. However, 487,000 of the Group's shares were repurchased during 2019.

Growth

Raketech targets an average annual total revenue growth in excess of 30 percent, including impact from acquisitions. As the majority of the targeted revenue growth is expected from acquisitions, the timing of acquisitions is important in order to be able to deliver in line with the financial targets. However, acquisitions are uncertain by nature and may fluctuate between years. During 2019, only two acquisitions were completed leading to lower than 20% acquired growth during the year.

Organic growth should exceed 10 percent on average and is affected by the underlying market growth on Raketech's key markets. As Raketech's largest market Sweden has declined during 2019, post regulation, Raketech have not been able to reach a positive organic growth during the year despite a strong NDC development compared to last year.

Profitability

Raketech targets an adjusted EBITDA margin exceeding 50 percent. During certain investment periods, it might be motivated to operate with an EBITDA margin of below 50% in order to gain our long-term sustainable growth. 2019 has been characterized by geographical expansion, technical enhancements and investments in our organization and we reported an adjusted EBITDA margin of 46%.

Market trends

OUR MARKET

Raketech is active primarily in the iGaming industry. We operate both in regulated and unregulated markets. Our main market is the Nordics which constituted 90% of total revenue in 2019. Sweden is our largest single market and 2019 has been a year of change in Sweden, driven by the regulation with effect from 1 January 2019.

FIVE IMPORTANT TRENDS

Big data

IDENTIFIED TREND	Large affiliation companies have access to a significant amount of relevant and granular data. The ability to efficiently utilise and analyse such data is essential for future growth and to continue to be an important partner to operators. We have experienced through our main market that in regulated markets with pressured margins, it is absolutely key to take data driven decisions.
HOW IT AFFECTS THE INDUSTRY AND RAKETECH	For affiliation companies that can structure and use their data effectively, there is a large potential to broaden portfolios with new products and adapt product offerings to better match the needs of customers.
RAKETECH'S ACTIONS	During 2019, Raketech has taken significant steps towards incorporating business intelligence as a core part of the organisation, and further investments are planned to continue to automate data collection and analyses. This will continue to be an absolute central part of all we do going forward to ensure we defend margins as well as develop products valuable for us and our customers.

Consolidation

IDENTIFIED TREND	The European affiliation market is fragmented, with the seven largest companies accounting for approximately 15 percent of the total market. Consolidation in the affiliate market is a trend that is expected to continue.
HOW IT AFFECTS THE INDUSTRY AND RAKETECH	The industry is expected to include a few major affiliation companies dominating the market, driven in parallel with the ongoing consolidation of operators.
RAKETECH'S ACTIONS	Raketech has been a driving force in consolidation within the affiliation market, with 25 completed acquisitions. M&A will be a continued important focus area for the Group

Regulation

IDENTIFIED TREND	Unlike iGaming operators and suppliers, affiliation companies, for most markets, do not need a license to conduct their business. Affiliation companies do not offer any gaming products directly, but act as a link between online players and operators. However, affiliation companies must comply with legislation pertaining to iGaming marketing in certain markets. Regulatory entities in jurisdictions, such as the UK, have set guidelines for affiliate marketing practices, in addition to regulating the online gaming industry.
HOW IT AFFECTS THE INDUSTRY AND RAKETECH	Increased regulatory requirements for the iGaming industry can create challenges from a resource perspective, primarily for smaller affiliation companies. This drives consolidation in the market as iGaming operators are expected to choose larger and fewer suppliers with a proven compliant track record. The Swedish regulation has also shown that size matters. A strong market position is even more important in regulated markets due to lower margins throughout all parts of the value chain driven by tax regulations. On a general level, we welcome the increased regulatory landscape as we regard it as an opportunity for us to become an even more important partner to the operators as well as keeping competition at a distance or market entry levels high.
RAKETECH'S ACTIONS	The larger affiliation companies with a well-developed stance on regulatory compliance, such as Raketech, are well-positioned to take market share from smaller affiliation companies that do not have the same capacity and competency in compliance. During 2019, we have seen less competition in Sweden but also lower market spend from our customers. We believe that strengthened regulation in any market should set out long-term guidelines for everyone involved, and thus contribute to a sustainable gaming market.

Social media

IDENTIFIED TREND	Social media platforms constitute an important part in the marketing mix for all industries and iGaming is no exception.
HOW IT AFFECTS THE INDUSTRY AND RAKETECH	Social media is not fully utilised by companies in the affiliation market, but as the market matures an effective social media strategy will become a key differentiation factor.
RAKETECH'S ACTIONS	Social media is one of Raketech's four product areas and is used to create a sense of community and spread information about current and new products. Since 2019, our strategy also includes tailored paid campaigns through social media channels.

Digitalisation and technical evolvement

IDENTIFIED TREND	The global online gaming revenue is expected to increase significantly during the upcoming year driven by the rapid growth of online gambling taking a considerable share from land-based gaming. Significant digital growth is expected from several unregulated markets. The competition in the affiliate market is expected to increase but at the same time the online gambling market is expected to expand even faster.
HOW IT AFFECTS THE INDUSTRY AND RAKETECH	Digitalisation is good for Raketech. So is technical development due to the simple fact that this is where we have our core competences: Digital consumers and digital marketing. We believe that the demand for advanced data driven, digital marketing solutions will continue to grow in line with or even more than the digital iGaming industry itself as operators to some extent shift focus from offline to online marketing. This will further fuel the demand for granular and advanced global marketing products and systems. This will, in turn, put pressure on our industry to be able to deliver scalable global offerings.
RAKETECH'S ACTIONS	This is very much in line with our strategy of moving from an local/regional affiliation, single channel company to a multi market performance marketing partner for the iGaming industry. • Global product • iGaming focus • Strategic partnerships • Data driven and scalable operations and products • Dedicated M&A resources • Increased/widened product offering via research and development or M&A

Our view on corporate responsibility

Raketech is committed to high corporate responsibility standards and promoting responsible gambling. Our core values guide our corporate and social responsibility outlook to ensure we safeguard our users, business partners, employees and other industry stakeholders. We take pride in being a responsible affiliate marketing company and, as an industry leader, believe we have a duty to lead by example in an increasingly significant area of the iGaming industry.

RAKETECH'S CORPORATE RESPONSIBILITY

Raketech's corporate responsibility focuses on player safety, protecting minors and advertising compliance. We refrain from misleading and unclear advertising and highlight the risks associated with gambling addiction. The industry is constantly evolving towards increased transparency and accountability. In order to be at the forefront of this evolution, Raketech has developed a comprehensive framework to ensure its regulatory compliance throughout all products. We foresee that iGaming markets will become more regulated in the future, and corporate responsibility will continue to play a crucial role in our growth.

Raketech staff actively participate in conferences and panels surrounding affiliate compliance, responsible gambling and affiliate marketing to help shape the conversation in the right direction.

RAKETECH PROVIDES PEACE OF MIND

There is a collective responsibility for gaming companies to ensure ethical promotion and advertising of gambling products. Raketech welcomes regulations implemented to protect consumers and the best interests of the iGaming industry. We work closely with gambling operators and industry stakeholders to help safeguard the long-term sustainability of the iGaming marketing industry.

Gambling operators are focused on identifying unsatisfactory regulatory compliance on the part of affiliate partners. Non-compliant affiliates are likely to have partnerships and future commission terminated by operators, as this otherwise leads to a direct regulatory risk for the operator. The gambling operators need to trust their affiliates and naturally only work with best-in-class companies that take compliance seriously, to minimize reputational and financial risks outside of their control. Raketech endeavors to go above current marketing rules, codes of best practice and responsible gambling guidelines in the markets where we operate and demonstrate our commitment to the sustainability of our industry.

HIGH LEVELS OF COMPLIANCE AND ETHICAL STANDARDS

At Raketech, we strive to lead our industry when it comes to regulatory compliance and transparency. We keep a close dialogue with our partners, peers and regulators to ensure compliance with regulations that apply to both Raketech and our customers.

Raketech established a regulatory compliance function that monitors the continuous development in the market, follows consumer marketing guidelines and works proactively on regulatory matters. The Group published a responsibility statement to communicate a robust standpoint externally and to be transparent. All marketing is done in accordance with applicable laws and consumer protection regulation.

We have a clear strategy to expand into new markets and this involves keeping up-to-date and complying with both regulatory standards in the markets where we operate and those we are targeting. Our legal team collaborate with law firms and legal advisors all around the world and Raketech continually receives legal updates in relation to our core markets.

RESPONSIBLE GAMBLING

Responsible gambling is an important part of the iGaming industry, and we use our position as a leading gambling affiliate to advocate safer gambling. We have a mission to guide and inspire our users towards informed decisions, and a key part of this is providing information on how to enjoy gambling in moderation. We follow guidelines to ensure this to the best of our ability and make sure our staff have the needed resources at their disposal.

Raketech views online casino games and sports betting as a form of entertainment that can be enjoyed in moderation, and this is the message we aim to promote across our products. People use our products for expert information that assists their decision-making when researching the iGaming industry and finding services to meet their needs – responsible gambling is a key part to this.

A small number of people are negatively affected by gambling and can experience personal, social, health and financial issues. Raketech's responsibility guidelines help minimize the risk of promoting gambling to vulnerable, self-excluded or underage users.

CONTENT IS KEY TO REMAINING COMPLIANT

Raketech provides content that promotes a safe and secure experience for its users. We want gambling to be experienced as a form of entertainment and strive to provide content that encourages good bankroll management, advice on operator safety measures and information on regional organizations that provide expert help and advice.

Raketech's portfolio of iGaming products has been updated with responsible gambling messages and new information on the tools available. We review products and services fairly, with clear and transparent content that we hope sends more educated and well-informed users to gambling operators.

STRENGTH IN NUMBERS

Raketech is dedicated to providing products and high-quality content that promotes a safe and responsible experience for its users. However, we believe that corporate responsibility is a shared weight for our industry and we joined trade organisations committed to promote corporate responsibility and responsible gambling.

We recognise the need to protect the best interests of consumers at the end of the value chain and

Raketech endeavors to go above current marketing rules, codes of best practice and responsible gambling guidelines in the markets where we operate.

act to minimise the negative impacts of gambling in society. Raketech's membership with trade bodies provides a shared voice to streamline communication with legislators, regulators, industry bodies and other stakeholder groups.

Raketech is part of the Swedish Gambling Association (SPER), which is dedicated to protecting consumers and stakeholders in a regulated gambling market and has committed to educating consumers on responsible gambling and protecting the long-term sustainability of the Swedish gambling industry. We joined SPER as the first affiliate member, with a shared goal of protecting the long-term sustainability of a re-regulated Swedish gaming industry. More recently in 2019 we joined Responsible Affiliates in Gambling (RAIG), a group of like-minded affiliate companies who are committed to responsible affiliate marketing, responsible gambling and protecting the long-term sustainability of our industry.

Through both partnerships, Raketech further reinforces its commitment to operating as a responsible iGaming affiliate and joins a group of businesses with a common goal to protect the long-term sustainability of the gaming industry.

A LOOK AHEAD

The roll-out of a compliance strategy has helped us sustain strong operator partnerships but will also help us secure partners and gain licenses to operate in new markets and new channels in 2020.

No doubt, in 2020 and beyond we will see increased regulation as well as new marketing policies of third-party marketplaces. The increased requirements are, even if resulting in increased costs, business opportunities as other new companies' thresholds for entering into certain markets are becoming higher parallel to increased regulation.

We also expect gambling operators to increase their requirements on affiliates, which we believe Raketech is well prepared to meet.

Employees

Working at Raketech means being part of an amazing team of professionals who all share the passion and commitment to provide correct, trustworthy and inspiring information that helps people to make informed decisions. We have established five core values that describe who we are and how we behave in our day-to-day work.

A team of 82 professionals, committed to guide and inspire

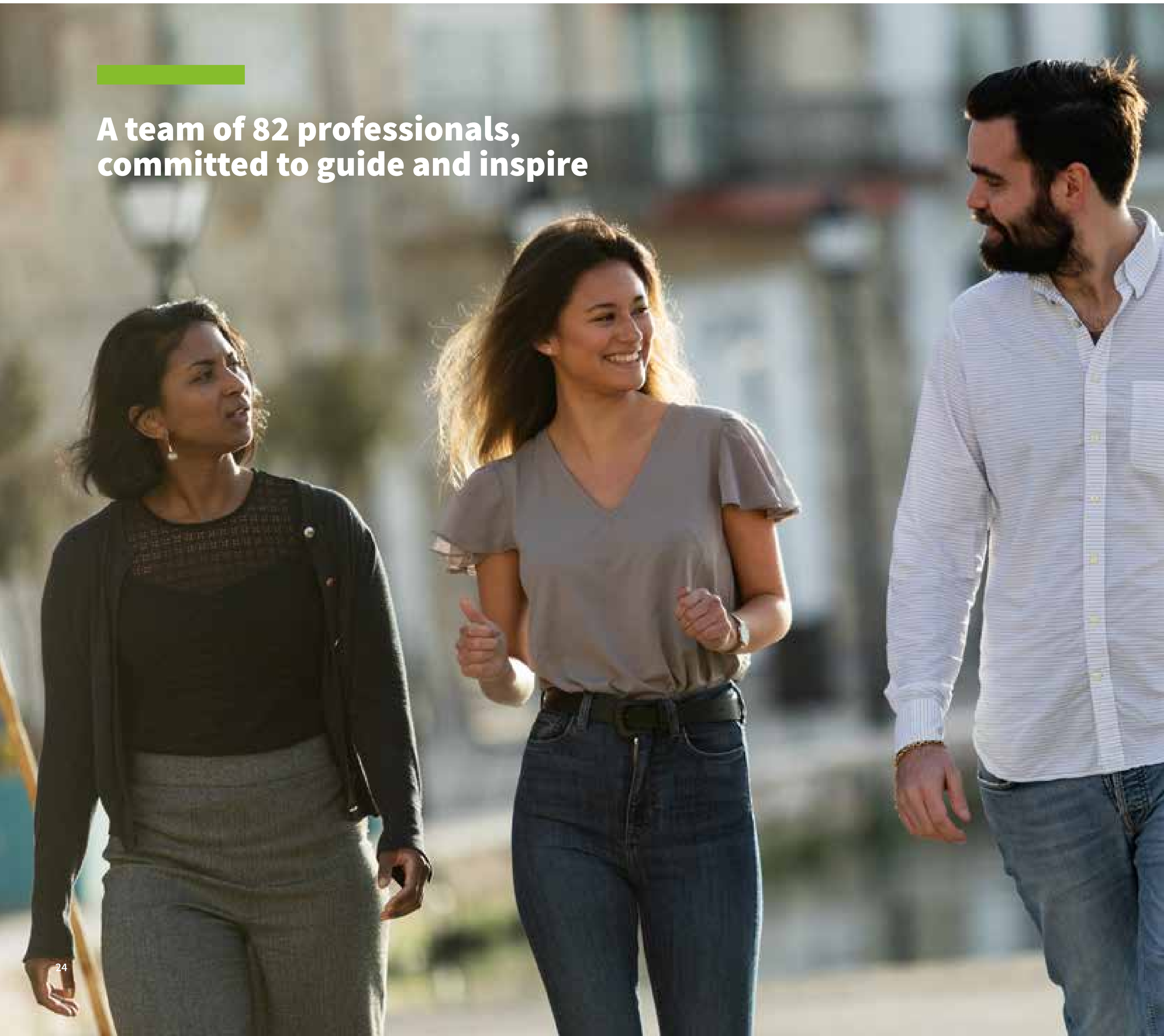


Photo: ***Lena Larsson***

Our values

Teamwork

Teamwork is core to Raketech. We pride ourselves in working together to unleash the potential of every person. We are strongly committed to a teamwork environment where each and every employee is a valued member, treated with respect, encouraged and empowered to contribute, and is rewarded for his or her effort. We celebrate our unique backgrounds, skills and viewpoints to reach common goals.

Focused

Raketech is committed to doing what is right for our customers and employees. We are ready for any challenge that comes our way and are focused on achieving great results.

Ownership

Our value of ownership is the willingness of all of us to take responsibility for our performance in all our decisions and actions. The idea is that we are all business owners and that our actions have an impact on the organization. We have managed to create a culture where employees feel a substantial, personal stake in the overall performance of the Company.

Hungry

Raketech values hungry employees and those who are eager to learn new skills and gain new knowledge. Employees who do whatever is necessary to help the team succeed, who are self-motivated and diligent. Given that we work in a fast-paced environment, we embrace change and act fast in everything that we do.

Open-minded

We pursue new opportunities. We are not afraid to be bold and put ourselves out there. We value diversity in people and ideas, and believe that working with people of different backgrounds, cultures, and thinking styles helps our people grow into a better company.

Our working place

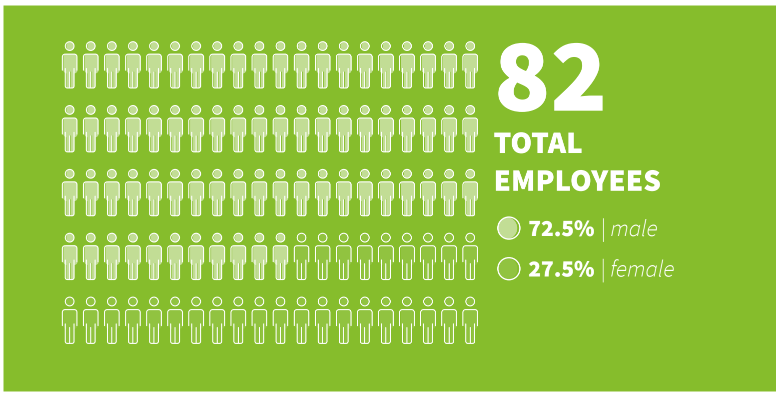
Raketech started in 2010 as an online poker affiliate that focused on the Scandinavian market. Since then, Raketech grew at a very fast pace and our talented team operates products across multiple regions in the online casino, sports betting, TV sports, consumer finance and cryptocurrency industries. Raketech guides sports and gaming enthusiasts to the best possible service while ensuring that high quality traffic reaches our partners.

Our modern offices are situated in the heart of Saint Julian's, Malta, our base. Malta is the iGaming and blockchain hub of Europe. However, we have people working remotely in different countries including Sweden, Norway, Finland and Ukraine. At Raketech, our greatest assets are our employees, and that is why we offer great career opportunities with plenty of room for individual improvement and growth. We attract people from every corner of the world. Our employees come from nineteen different countries, all working together to ensure Raketech's success in everything we do.

Raketech is an equal opportunity employer, committed to providing a safe and respectful work environment, where everyone is treated with respect and dignity. The rights and obligations imposed by these instructions apply to anyone who has contact with the Company, including employees, job applicants, service providers, consultants, etc. At Raketech we believe that, by adhering to these instructions, we will achieve an ability-based workforce, which values individuals according to how well they perform their duties, and allows them to work to their best potential, free from any form of discrimination, intimidation or any form of harassment. We operate a zero-tolerance policy, treat all incidents seriously and promptly investigate any allegations of harassment.

Raketech also offers plenty of exciting benefits. Employee benefits come in many forms and are an important part of the compensation package offered to employees, where health and life insurance, wellness benefits and recreational activities can be mentioned as examples.

Keeping a good balance between career and family has always been a top priority for Raketech. With some simple changes, work-life balance can be easily sustained and as a result we have a happy and engaged workforce. Raketech will keep working to promote family friendly measures which include flexible hours, remote working days, extra maternity leave and family sick days.



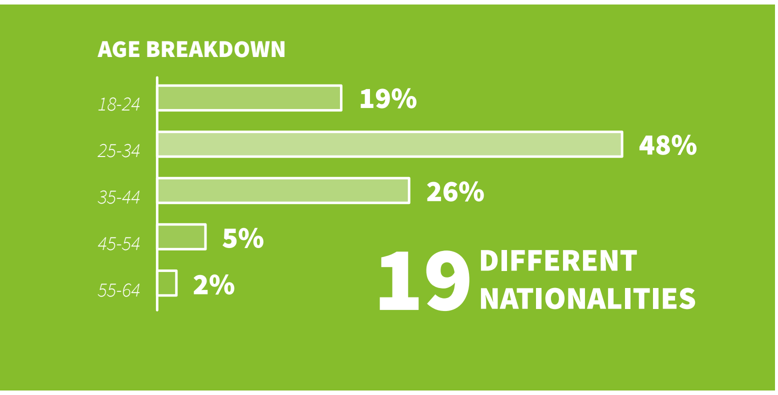
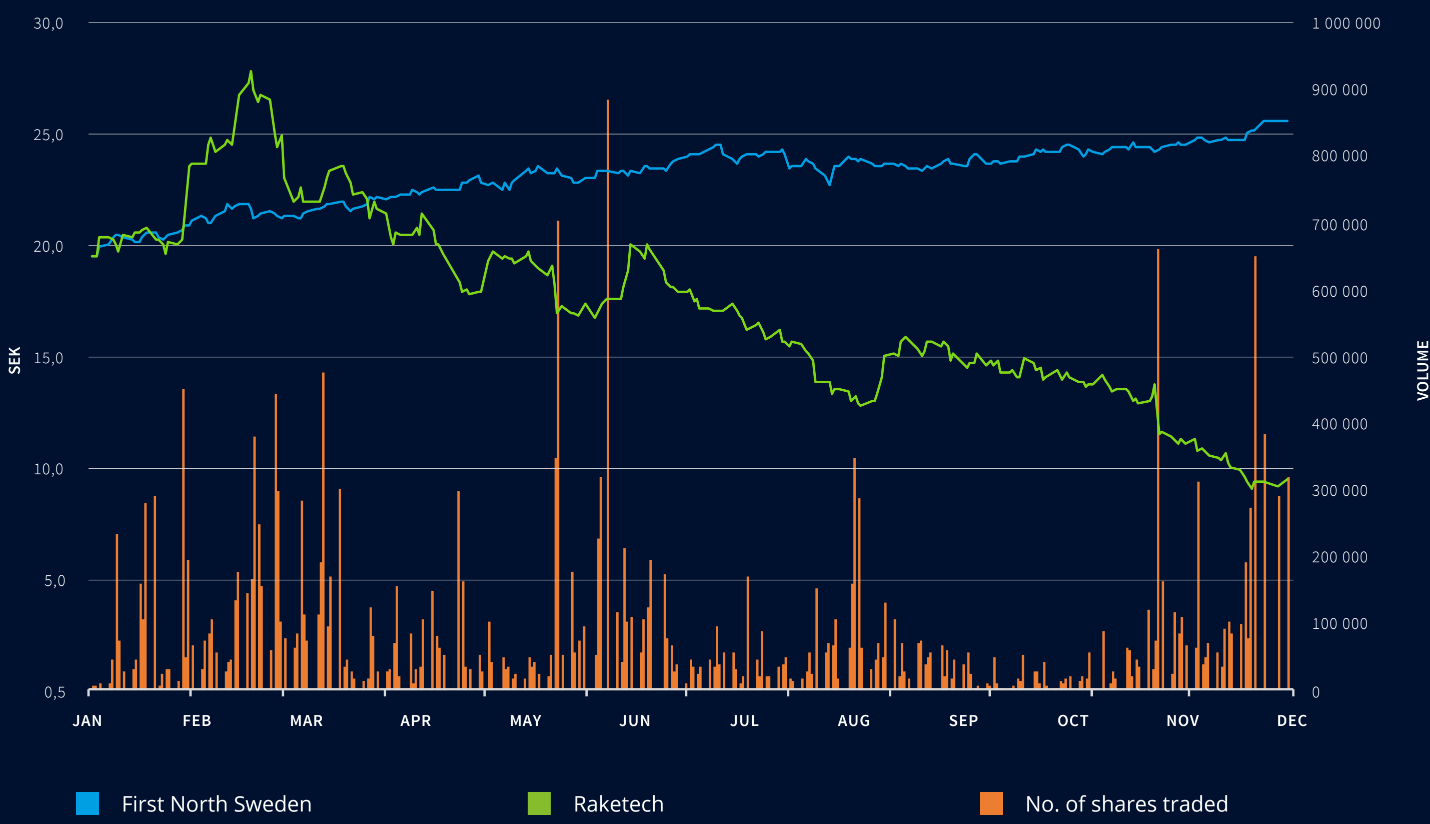


Photo: *Lena Larsson*

The share

Raketech Group Holding PLC is listed on Nasdaq First North Premier Growth Market with the ticker RAKE. Raketech's shares commenced trading on 29 June 2018. The listing is deemed to promote the Group's continued growth, contribute to an optimised capital structure, increase acquisition opportunities and strengthen the awareness of the Group among customers and potential employees.



On 31 December 2019, the share capital of Raketech Group Holding PLC amounted to € 75,801 distributed among 37,900,633 shares. Each share entitles the holder to one vote and an equal share in the Company's assets and earnings.

OWNERSHIP STRUCTURE AS OF 31 DECEMBER 2019

Share owner	Number of shares	Capital/Vote
Swiss Life (Lichtenstein) AG	5,895,225	15.6%
Chalex i Göteborg	4,424,646	11.7%
Light Showdown Limited [1]	3,353,265	8.9%
Akterbog Limited [2]	3,234,930	8.5%
Avanza Pension	2,458,101	6.5%
Swedbank Försäkring	1,663,711	4.4%
Netfactor AB	1,544,940	4.1%
Videnor Limited	1,105,786	2.9%
Marcus Ingemansson	1,015,810	2.7%
Rolf Lundström	1,010,000	2.7%
Total top 10 owners	**25,706,414**	**67.8%**
Total no of shares	**37,900,633**	**100%**

[1] Raketech founder Erik Skarp is a member of the Board and owns Light Showdown Limited
[2] Raketech founder and CCO Johan Svensson is a member of the Board and owns Akterbog Limited

Data per share	Dec -19	Dec-18
Earnings before dilution €	0.19	0.15
Earnings after dilution €	0.19	0.14
Operating cash flow €	0.30	0.30
Equity before dilution €	1.74	1.55
Equity after dilution €	1.70	1.53
Share price 31 Dec SEK	9.45	19.50
P/S multiple SEK	1.06	2.8
P/E multiple SEK	3.53	15.8
Number of shares at year end	**37,900,633**	**37,900,633**

MARKET CAPITALIZATION, PRICE TREND AND TURNOVER

In 2019, the price of Raketech's share decreased from SEK 19.5 (closing price) to SEK 9.45 on 31 December 2019, a decline of 51.5 percent. During the same period the Nasdaq First North Sweden's index (FNSESEKPI) increased by 32.2 percent.

The lowest price paid for the share during the year was SEK 8.95 on 19 December, and the highest was SEK 28.5 on 21 February. The year-end price gave Raketech a market capitalization of SEK 358 million. Share trades were concluded on every business day of the year, except for 1 day. Average daily trading was 93,334 shares.

SHAREHOLDERS

At the end of 2019, Raketech had 1,044 shareholders. The 5 members of the senior management team had a total holding in Raketech of 112,485 shares and 520,812 options and Raketech's Board members (including related parties) held a total of 6,787,550 shares.

SHAREHOLDER COMMUNICATIONS

Raketech's aim is to use continuous and transparent financial communication characterized by correct, clear and relevant information to all capital market participants and interested members of the public, as well as to ensure an in-depth and trusting dialogue with the capital market. Management of Raketech is strongly committed to continue delivering solid results and maintaining an open and transparent dialogue with owners and investors to secure a long-term positive development of the share price.

DIVIDEND POLICY

Raketech operates in a growing market under ongoing consolidation. In order to capitalize on existing growth opportunities, the Company intends to prioritize growth activities, including acquisitions.

Any dividend paid will be subject to Raketech's overall financial position, growth prospects, profitability, acquisition opportunities and cash flow.

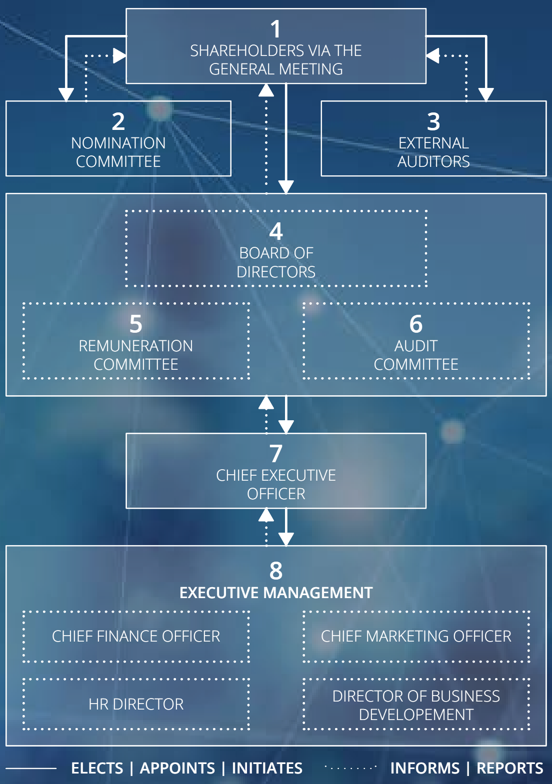
For the AGM in 2020 no dividend will be proposed to the Company's shareholders.

Corporate governance report

Corporate governance is the system by which companies are directed and controlled and refers to the set of systems, principles and processes by which a company is governed. Raketech Group Holding PLC (the "Company" or "Raketech" or "Group") is committed to maintaining a high standard of corporate governance in complying with the Swedish Code of Corporate Governance.

Corporate governance encompasses the systems for decision-making, and the structure through which shareholders control the Company, directly and indirectly. This report summarizes the Group's corporate governance practices that were in place throughout the financial year ended 31 December 2019.

RAKETECH'S CORPORATE GOVERNANCE STRUCTURE



FRAMEWORK FOR CORPORATE GOVERNANCE IN RAKETECH

Raketech is a Maltese public limited company, listed on Nasdaq First North Premier Growth Market since 29 June 2018 with its registered office and headquarters in Malta. In line with the Company's structure, governance, management and control is divided between the Company's shareholders, the Board of Directors, the CEO and the rest of the Executive Management in accordance with prevailing laws and regulations.

The Swedish Corporate Governance Code (the Code) specifies that good corporate governance means ensuring that companies are run sustainably, responsibly and as efficiently as possible on behalf of their shareholders. Effective in a way to maximize the value for the shareholders and thereby meet the shareholders' requirements on invested capital. Raketech is committed to healthy corporate governance structure which strengthens and maintains confidence in the Company. The objective of corporate governance is to regulate the division of roles between shareholders, the Board and Executive Management more comprehensively than is required by legislation.

The foundation of the corporate governance structure at Raketech comprises its Memorandum and Articles of Association, the Maltese Companies Act (Chapter 386 of the Laws of Malta) and the Swedish Code of Corporate Governance, and other applicable rules and laws.

In addition to external governance instruments and the Company's Memorandum and Articles of Association, the Board has, in close cooperation with the Company's executive management, established a comprehensive framework of guidance documents. These include the CEO instruction, Code of Conduct, Board instructions and other policy documents, such as Communication Policy and Risk Management Policy. These policies and standards are evaluated and updated on a regular basis. Raketech do however believe that the foundation of functioning corporate governance is not only through formal document but also through the corporate culture within Raketech and the corporate goal and the working methods within the Company.

THE SWEDISH CODE OF CORPORATE GOVERNANCE

In combination with Raketech's listing of shares on Nasdaq First North Premier Growth Market, Raketech adopted the Swedish Code of Corporate Governance (the current Code is available on the Swedish Corporate Governance Board's website www.corporategovernanceboard.se). This is in line with the Nasdaq First North Nordic – Rulebook (Rulebook), that stipulate the possibility to choose between the Swedish code or the local corporate governance code in the country where it is incorporated, i.e. Malta. Though, it should be noted that the Maltese and Swedish codes of corporate governance share a number of similar or common principles.

The Code forms part of the self-regulation of corporate sector and defines a norm for good corporate governance. The Code is based on the principle of "comply or explain", meaning that companies are not obliged to comply with every rule in the Code, but are allowed the freedom to choose alternative solutions, as long every deviation is explained and described. The Code is applied in full by Raketech and any deviation from this is clearly stated in this Corporate Governance report along with an explanation of Raketech's reasoning.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles of Association establish the kind of business to be undertaken within Raketech, the means by which the shareholders exercise control over the Board of Directors, the number of directors and auditors, and their responsibilities.

Further, the Articles cover limitations on the share capital and the number of shares within the Company and how a General Meeting notice is announced, where General Meetings shall be held and deciding the total permitted number of Board members. The current Articles of Association, adopted by the Annual General Meeting (AGM) 29 May 2018 are available to view on the Company's website, www.Raketech.com.

The Company may amend its Memorandum and Articles of Association by an extraordinary resolution in terms of Article 79 (1) of the Maltese Companies Act (Chapter 386 of the Laws of Malta).

The Articles of Association of the Company requires an extraordinary resolution to be taken at a General Meeting passed by shareholders having the right to attend and holding in aggregate not less than seventy-five per cent in nominal value of the shares represented and entitled to vote at the General Meeting and at least fifty-one per cent in nominal value of all the shares entitled to vote at the General Meeting.

1 THE SHAREHOLDERS AND GENERAL MEETINGS

Raketech was listed on Nasdaq First North Premier Growth Market on 29 June 2018.

Raketech's share capital amounted to € 75,801.27, divided between a total 37,900,633 shares held by 1,044 shareholders as at 31 December 2019. The Company has one class of shares, and any purchases or sales of own shares are carried out over the stock exchange. The Articles of Association do not impose any restrictions on voting rights, all shares have equal rights (one vote per share) and an equal contribution of the Company's capital and profit.

At the same time, the ten largest shareholders at 31 December 2019 represented 67.8 per cent of the share capital and votes..

1.1 General meeting

General meetings are Raketech's highest decision-making body to which Raketech encourages all shareholders to participate, in order to exercise their influence on the Company.

Every year, the Company shall hold an AGM within six moths of the end of the financial year. All General Meetings shall be held in Stockholm or in Malta, in accordance with the decisions of the Board of Directors. The date and venue for the AGM will be announced in connection with the third interim report each year. A public notice of the AGM is published no later than four weeks prior to the meeting.

The AGM's mandatory duties include making decisions on:

- adoption of the income statement and balance sheet,
- appropriation of profits and dividends,
- discharge from liability for the Board of Directors and the CEO,
- election of the Board of Directors and auditors,
- determination of fees for the Board members and the auditors *and*
- Nomination Committee.

All shareholders registered in the shareholder's register on a given record day, and who have notified their attendance in due time, have the right to participate in the meeting and vote in proportion to their holding of shares. Detailed information on how shareholders can raise a matter at the meeting and the deadline for making a request, is listed on the Company's website.

One or a combination of shareholders who hold five per cent or more of the share capital, have a right to demand that a matter is added to the agenda for the General Meeting in accordance with Article 65 in the Articles of Association. The matter must be justified and include a proposed resolution in order to be presented at the General Meeting and be submitted no later than 46 days before the day of the General meeting.

Resolutions at a General Meeting are usually passed with a simple majority of votes. However, in accordance with the Maltese Companies Act (Chapter 386 of the Laws of Malta) and the Company's Articles of Association, certain matters will require approval by a higher percentage of the votes and votes represented at the General Meeting.

1.2 Annual General Meeting 2019

The 2019 AGM was held on 8 May 2019 in Stockholm, where a total of 22,774,151 shares and votes were represented at the meeting, corresponding to 60 per cent of the total amount of shares and votes in the Company. The minutes of the meeting, as well as other documentation from the meeting is available on the Company's website from that day.

The meeting resolved to adopt the Board of Directors' proposal for guidelines for remuneration to senior management and to adopt an incentive programme. The programme comprises of share options where the participants are entitled to shares in Raketech after a three-year vesting period. The programme comprises not more than 25 participants and in total 758,012 share options. The meeting also resolved to authorise the Company to acquire not more than 3,790,063 of its own shares, where repurchases of shares shall be made on Nasdaq First North Premier Growth Market, on one or more occasions before the next AGM, under certain conditions.

Further the meeting resolved to amend articles 4(b), 4(c) and 4(d) of the Company's Articles of Association, whereby Raketech's Board of Directors is provided with greater flexibility in terms of issues of shares and other instruments. This, in order to continue to incentivise key employees, finance and further facilitate expansion, organically as well as through acquisitions, or to broaden the shareholders base further to enable better access to the capital market. The resolution also included a decision to amend the Company's Memorandum and Articles of Association to, inter alia, reflect the amendments of the aforementioned articles in the Company's Articles of Association.

1.3 Extraordinary General Meeting

No extraordinary General Meetings has been held during the year of 2019.

1.4 Annual General Meeting 2020

The 2020 AGM will take place at 10.30 am on 15 May 2020, at Stureplan 8 in Stockholm. Notification of the Meeting will be issued on the Company's website, where requisite documents, such as the information providing the basis for decisions, will also be made available prior to the Meeting.

2 NOMINATION COMMITTEE

In line with the Code, the AGM resolves the principles for the Nomination Committee, the duties of which shall include proposals regarding candidates of members of the Board of Directors, the Chairman of the Board of Directors, the Chairman for the AGM and appointment of the Auditor. In addition, the Nomination Committee shall also propose remuneration for the chairman of the Board of Directors, other Board members, the Auditor and remuneration for work in Committees, if any.

At the 2019 AGM, it was decided that the Nomination Committee shall be composed of five members, including one representative for each of the four largest shareholders and one Board Member independent of the Company's management. When a shareholder who has appointed a member to the Nomination Committee is no longer one of the largest owners, due to a reduction in the said owner's shareholding or an increase in another owners' shareholding, the Nomination Committee can decide to withdraw and replace the nominated member. The next largest registered shareholder who has not yet appointed a member to the Nomination Committee can select a new member. If any of the shareholders chooses to refrain from the right to appoint a representative, the right to appointment shall be transferred to the next largest shareholder in turn, after the above-mentioned shareholders.

If the registered ownership structure otherwise materially changes before the Nomination Committee's assignment has been completed, a change in the composition of the Nomination Committee shall be made, if the Nomination Committee so decides, according to the principles stated above.

The term of the Nomination Committee shall be until a new Nomination Committee has been appointed. The names of the members of the Nomination Committee must be published no later than six months prior to the AGM. The proposals of the Nomination Committee are presented in the notice of the AGM and on the Company's website.

Candidates sought by the Nomination Committee are those that, together with the existing members, can provide the Board of Directors with the appropriate combination of skills and competence. This requires experience from executive positions in listed or similar companies, expertise in the gaming sector or experience in related industries.

The 2020 Nomination Committee comprises:

Representative	**Shareholders**	**Voting power in % as at 31 December 2019**
Tobias Persson Rosenqvist Chairman of the Nomination Committee	Swiss Life (Lichtenstein) AG	15.6%
Martin Larsson	Chalex i Göteborg AB	11.7%
Erik Skarp (Member of the Board of Directors of Raketech)	Light Showdown Ltd	8.9%
Peter Björnström	Akterbog Ltd	8.5%
Christian Lundberg (Chairman of the Board of Directors of Raketech)		0.2%

2.1 Independence of the Nomination Committee

The Code stipulates that a majority of the members of the Nomination Committee are to be independent of the Company and its Executive Management. Further, it stipulates that at least one member of the Nomination Committee is to be independent of the Company's largest shareholders in terms of votes. In relation to the Company and the Company's management, all members of the Nomination Committee are independent. In relation to the Company's largest shareholders in terms of votes, all members are dependent, except for Christian Lundberg.

3 BOARD OF DIRECTORS

3.1 Responsibilities and duties of the Board of Directors

The Board of Directors is the most superior decision-making body of the Company, next after the AGM. The Board has the ultimate responsibility for the management of the Company and for supervising its day-to-day management and activities in general. This includes developing the Company's strategy and monitoring its implementation. This in order to represent the best interests of the Company and its shareholders. The duties of the Board are set forth in the Maltese Companies Act, the Company's Memorandum and Articles of Association, the Code and the Board instructions. The prevailing regulations and instructions stipulate the mandatory tasks of the Board of Directors, which includes determining the Company's overall targets and strategies. Further, the duties include evaluating the CEO, ensuring that there are systems in place to monitor and control the operations and associated risks, ensuring that there is satisfactory control of the Company's regulatory compliance and ensuring that the information issued by the Company is transparent, accurate, relevant and reliable.

In accordance with the Company's Memorandum and Articles of Association, Raketech's Board of Directors shall comprise of at least three and no more than six members. The AGM determines the precise number of members. A Board member's seat applies until the end of the first AGM one year after the Board member was appointed, whereby the respective Board member is available for re-election.

The Board members are appointed through a simple majority vote represented at the Annual General Meeting. In addition to this, the Board members have a right to appoint new Board members in the Company under certain conditions in accordance with Article 113 of the Company's Articles of Association. The shareholders may resolve to dismiss the Board member through a resolution at a General Meeting passed with a simple majority of votes represented at the General Meeting.

3.2 Board of Directors 2019 and its remuneration

The Board currently consists of five members, Christian Lundberg (Chairman), Erik Skarp, Johan Svensson, Fredrik Svederman and Annika Billberg. Johan Svensson is also a consultant to the Company, responsible for Raketech's expansion in the US market. All Board members were re-elected at the 2019 AGM. The members of the Board are presented in further details on pages 38-41.

Remuneration and other benefits to the Board and the Chairman of the Board, including Board committees, are decided at the AGM. At the AGM 2019, it was resolved that the total compensation for the Board members for the financial year 2019 shall amount to € 185,000.

Board member	**Christian Lundberg**	**Erik Skarp**	**Johan Svensson**	**Fredrik Svederman**	**Annika Billberg**
Positions	Chairman of the Board Member Committee: • *Nomination* • *Remuneration (chair)*	Board member Member Committee: • *Nomination* • *Audit* • *Remuneration*	Board member	Board member Member Committee: • *Audit (chair)*	Board member Member Committee: • *Audit* • *Renumeration*
Board fee	€ 50 000	€ 30 000	€ 30 000	€ 30 000	€ 30 000
Committee fee	€ 5 000	-	-	€ 10 000	-
Salary/consultants fee paid during 2019	-	-	€ 225 000	-	€7 360
Independent in relation to the Company and its Executive Management	✓	✓	-	✓	✓
Independent in relation to major shareholders	✓	-	-	✓	✓
Own and related party shareholding as of 31 December 2019	81,955	3,353,265	3,259, 930	85,000	7,400

3.4 Board meetings 2019

The Board of Directors holds regular meetings each year, and during 2019 the Board held nine minuted meetings and 5 per capsulam meetings. The work of the Board follows a specific plan and all of the meetings held during the year followed an agenda that was provided to the Board members before the respective meeting together with relevant documentation. In 2019, the Board devoted particular attention to the ongoing global expansion within Raketech and also issues concerning risk and internal control.

The meetings are attended by the CEO who provides a review of developments within the operations, current issues concerning important events, the underlying operational performance, potential acquisitions and legal trends in the gaming market. At the meetings, the CFO reports on the financial performance of the Company and the risk aspects of significant contracts. Other executives in the Group participate in Board meetings from time to time as required, either to report on specific issues or to serve as secretary.

In addition, the Company's Auditor report their observations based on the performed audit of the financial statements and their assessment of the Company's internal procedures and controls. On a monthly basis, the Board also receives a detailed operational report over the Company's financial performance including its financial position and liquidity.

3.5 Independence of Board Members

The Code stipulates that the majority of the Board of the Directors to be elected at by the AGM must be independent of the Company and the Company's management and that at least two of the independent Board members must also be independent in relation to the Company's major shareholders. A major shareholder is defined as controlling, directly or indirectly, at least 10 per cent of the shares or votes in the Company. The Board fulfils the Code's requirements of independence as the number of Board members who are independent in relation to the Company are four people (80 per cent). Out of these four independent Board members are three also independent in relation to major Shareholders of the Company.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the Company, agreements between the Company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the Company, as well as agreements between the Company and the legal entity that the Board member represents.

3.6 Evaluation of the Board, the CEO and management

The Board of Directors is evaluated annually through anonymous questionnaires with the aim of developing the Board's working methods and efficiency. The result is reported to the Nomination Committee and lies as the foundation for the potential nomination of the Board of the Directors. Performed evaluations during 2019 came to the overall conclusion that there is a well-balanced mix of competencies among the current Board of Directors and that the Board's performance and efficiency is found to be satisfactory.

The Board continuously evaluates the work of the CEO and Executive Management. The evaluation done is also carried out through anonymous questionnaires. The evaluation is done at least on a yearly basis or when assessed needed and the result act as the base for the structure of the Executive Management team going forward.

3.7 Board committees

In addition to the above, the Board of Directors has set up two sub-committees composed of board members: the Remuneration Committee and the Audit Committee. The Board has established and stipulated instructions for each committee.

3.8 Attendance at Board and Committee meetings

Board member	Board meetings	Audit Committee	Remuneration Committee
Christian Lundberg	9/9		2/2
Erik Skarp	9/9	6/6	2/2
Johan Svensson	9/9		
Fredrik Svederman	9/9	6/6	
Annika Billberg	9/9	5/6	2/2

4 REMUNERATION COMMITTEE

The Remuneration Committee is comprised of Christian Lundberg (chairman), Erik Skarp and Annika Billberg, who all are independent of the Company and its management. The primary duties of the Remuneration Committee include preparing matters regarding salary, other remuneration and pension benefits for the CEO and the Executive Management for decision by the Board. The Committee also makes an independent assessment of ongoing and completed programmes for variable remuneration to Executive Management. Further, an evaluation is to be done of the Company's application of the guidelines for remuneration to the Board and Executive Management, in ensuring that all are in line with the Code.

During 2019 two meetings were held. All members attended, as well the Director of HR, Martin Shillig, as an adjunct member.

5 AUDIT COMMITTEE

The Audit Committee monitors the Company's financial reporting by examining important accounting matters and other factors that may affect the qualitative content of the financial reports. The Audit Committee provides recommendations and proposals concerning financial reporting. Further, the Audit Committee monitors the effectiveness of the Company's internal control with regard to financial reporting, as well as the external auditors' impartiality and independence. The Audit Committee evaluates the audit work and assists the Nomination Committee in appointing auditors. In addition, the Audit Committee has regular contact with the Auditors who regular report on significant matters that have emerged from the statutory audit and ISRE 2410 review.

The Audit Committee shall consist of at least three members, of which at least one shall have accounting and auditing expertise. The Audit Committee comprised three members of the Board appointed by the Board: Fredrik Svederman (Chairman), Erik Skarp and Annika Billberg. All three members are independent of the Company and its management and two are also independent in relation to the Company's shareholders.

During 2019, six meetings were held, to which all members attended except one.

6 AUDITORS

The Auditors are appointed at the AGM for the period until the end of the following year's AGM. At the AGM held on 8 May 2019, PricewaterhouseCoopers Malta was elected as the Company's auditor. Romina Soler, Authorised Public Accountant and member of the Malta Institute of Accountants, is the engagement leader. The auditors are accountable to the shareholders. They carry out an audit and submit an audit report covering matters such as the Annual Report and the administration of the Board and the CEO.

The auditor has the task of auditing Raketech's annual report on behalf of the shareholders and making a statement on whether or not the annual report provides a true and fair view, according to IFRS as adopted by the EU and requirements according to the Maltese Companies Act (Chapter 386 of the Laws of Malta). In connection with the nine-month report, the auditor also conducts a review according to ISRE 2410. In addition, the Auditor interacts with the Audit Committee throughout the year both orally and in writing. Communications are predominantly linked to the outcome of both the ISRE 2410 review and the statutory audit. Control observations noted as part of the above are also formally communicated to the Audit Committee.

The 2019 AGM passed a resolution given from the Nomination Committee that the auditor fees shall be payable in accordance with any invoice approved by the Renumeration Committee.

7 CHIEF EXECUTIVE OFFICER

The CEO is appointed by the Board to lead the Company's day-to-day operations, for which the Board issues a mandate for the work of the CEO. There is a clear division of responsibilities between the Board and the CEO, which is set forth by the formal work plan for the Board and the CEO's instructions. In addition to instructions from the Board, the CEO is obliged to comply with the provisions of the Maltese Companies Act (Chapter 386 of the Laws of Malta).

The CEO leads the work of the Company and makes decisions in consultation with other Executive Management. At the end of 2019, there were four management executives, which the CEO appointed in consultation with the Board of Directors. The CEO is also present at Board meetings and shall ensure that the Board's members are continuously sent the information needed to monitor the Company's position, performance, liquidity and development. The CEO's work is continuously evaluated by the Board in accordance with the requirements of the Code.

Oskar Mühlbach is the CEO of the Company since December 2019 after replacing former CEO Michael Holmberg. Oskar has worked with the Company for a year and was the Company's Chief Operational Officer (COO) before being appointed to the role. Oskar has no significant assignments outside the Company. His shareholdings in the Company and those of close relatives are 44,000 shares. In addition, Oskar holds a total of 115,000 options.

8 EXECUTIVE MANAGEMENT

The Executive Management holds regular operational meetings and ensures that the day-to-day management of the Company is carried out. At the end of 2019, the Executive Management team consisted of CFO Måns Svalborn, who replaced former CFO Andreas

Kovacs in December 2019, CMO Klas Winberg, who replaced former CCO Johan Svensson in November 2019, the Director of HR Martin Schillig and Andreas Kovacs who took over the new role as Director of Business Development in December 2019.

The CEO and the Executive Management are presented in further details on pages 38-43.

REMUNERATION TO SENIOR MANAGEMENT

At the 2019 AGM, it was resolved to approve the guidelines for remuneration of senior management for the period up until the next AGM. Senior management refer to the CEO and the Executive Management team of Raketech. The purpose of the guidelines is to ensure that Raketech can attract, motivate and retain senior executives with the skills and experience required to achieve Raketech's operational goals.

The remuneration offered by the Company shall be competitive and in line with market practice, as well as aligned with shareholders' interests. Remuneration to Senior management shall consist of a fixed salary. The Company also offers a long-term incentive programme for senior management staff members and other employees within the Company or its subsidiaries. These are designed with the aim of achieving increased alignment between the interest of the participating individual and those of the Company's shareholders. The established incentive programmes run over three years in line with the Code. There is however one exception for one programme where some of the options allotted within the programme could be utilised from the first date of trading in the Company's shares and that certain other options may be utitlised from the day following 24 months after the first day of trading. The terms within this programme were set in accordance with market practice for private companies in Malta and ends October 2020.

These components combined are intended to create a well-balanced remuneration reflecting individual competences, responsibilities and performance, both short-term and long-term, as well as the Company's overall performance.

RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Board of Directors has the overall responsibility for the internal control of the Company. The Board of Directors ensures that the Company has sound risk management and an internal control system put in place that is appropriate to its activities. Internal control is the methods and processes put in place by the Management and Board through which the Company ensures the organisation meet its objectives and ensures its existence going forward. Effective and efficient internal control provides comfort for Company stakeholders in efficient conducted business, safeguarding of assets, preventing and detecting fraud, completeness and accuracy of financial records and timely preparation of financial statements. Well-working processes and controls reduces both the operational and financial risks as well as the risk for fraud - this is why internal control is imperative within the Company.

CONTROL ENVIRONMENT

The control environment is fundamental to Raketech's internal control regarding financial reporting and the organizational structure. Raketech's internal control structure is based on a clear allocation of responsibilities and work assignments between the Board, the CEO, Executive Management and the operational activity. The division of roles and responsibilities within the rules of procedure aim to facilitate an effective management of the Company's risk. The Board of Directors and Executive Management establish the control environment through policies, procedures, processes, standards and structures providing the basis for carrying out internal controls. These steering documents include the Board's instruction, the CEO instruction, Risk Management policy, Communication policy, Insider policy and the Code of Conduct. Governing documents and detailed process descriptions are communicated via established information and communication channels and are therefore available and known to the staff within Raketech.

Raketech has established an Audit Committee, in line with the Code, who is monitoring the effectiveness and efficiency of the Company's internal control and risk management. The resulting control environment has a pervasive impact on the overall system of internal control.

RISK ASSESSMENT

Risk assessment is a vital part of the internal control process and comprises identification and management of the risks that may affect financial reporting, as well as the control activities aimed at preventing, detecting and correcting errors and deviations.

The identified risks shall be assessed on what the impact will be if a situation arises that triggers the risk. Risks are also defined as being significant, moderate or limited. Also, the identified risks shall be assessed on how likely they are to occur.

Based on the risk identification and assessment performed, internal controls shall be designed to cover the risks where applicable. The internal controls shall be phrased as requirements in order to describe the minimum level of efforts expected to establish an effective internal control environment throughout the different business processes. Particular focus is placed on the risk of fraud and the risk of loss or embezzlement of assets.

During the year, Raketech mapped and assessed the most significant risks in the revenue and cost cycle in relation to financial reporting. Further, intangible assets are assessed on a continuous basis against the return they generate in order to ensure that the values reported in the Company's financial statements are correct. The Company operates through these intangible assets which is why continuous impairment assessment is vital.

Performed risk assessment is presented to the Audit Committee and subsequently to the Board who ensures that sufficient risk assessments are carried out prior to all decisions of a material nature. The Board and the Executive Management deal with the outcome of the Company's procedures for risk assessment and identifies, when appropriate, any action that needs to be taken.

CONTROL ACTIVITIES

Various control activities are incorporated in the Company's system and procedures, including the financial reporting process. These control activities are aimed at preventing, detecting and correcting errors and deviations. One of the major control activities within the

Company is the policies and procedures, to which the Company ensures that the staff concerned are aware of and have access to instructions of significance to the tasks performed. Further, high information security is a precondition for good internal control of financial reporting.

As part of the quality control work for financial reporting, the Board has set up an Audit Committee as a control activity, that processes crucial accounting matters and the financial reports produced.

INFORMATION AND COMMUNICATION

The Company has information and communication paths with the aim of achieving completeness and correctness in its financial reports, all of which is described in the Company's Communication Policy. The internal communication between Board of Directors and Executive Management takes place through the board meetings but also through the Company's internal portal where financial and operational information is shared between the Executive Management and the Board of Directors. Internal communication between Executive Management and the rest of the organization mainly take place through regular meetings but also through special workshops held within the Company. All policies are uploaded on the internal Group portal where these can be accessed.

The Company's CEO has on behalf of the Board been given the overall responsibility for managing and handling insider information.

MONITORING/FOLLOW-UP

In line with the Company's Risk policy, compliance and effectiveness of internal control are continuously monitored and evaluated. The effectiveness of the controls is to be assessed by defined persons throughout the organisation. The evaluation is led by the Company's CFO and the results are to be compiled by the CFO and presented to the Executive Management team and the Board of Directors.

Both Executive Management and the Board receive continuously reports that include sales, monthly income statements and cash flow reports, including management's comments on operational trends. Furthermore, review and approval of policies are done on a yearly basis by the Board.

INTERNAL AUDIT

Raketech has chosen not to establish a formal internal audit function in the Company but rather opted to focus on implementing a process for identification of risks, the establishment of controls and a self-evaluation of controls. The framework in itself, the results and the outcomes are reviewed by Executive Management and the Board of Directors. The Audit Committee is responsible together with the Board for compliance with established principles for internal control. The Audit Committee has full freedom to call for an external review of controls existing in parts of the Group if deemed necessary.

Members of the Board

According to Raketech's Articles of Association, the Board of Directors shall consist of no less than 3 and no more than 6 members. 4 members of the Board are independent in relation to the Company and the Company's management. Out of these four independent Board members, three are also independent in relation to the major shareholders of the Company.

Photo: ***Majda Toumi***

Christian Lundberg

Born: 1956

Elected: April 2017 (Chairman of the board)

Education: Economics at Stockholm University

Mr Lundberg is currently Chairman of the board of Aidon OY, Senior Advisor and Board member at Cordial Business Advisors, CEO of Force 4U AB and a member of Deloitte Advisory Forum. He has previously served as Chairman of the board of NORM Research & Consulting AB (until 2015), Chairman of the board of Voddler Group AB (including group companies, until 2017), board member at Trygga Hem AB (now Sector Alarm Service AB, until 2013) and board member at Claremont AB (including group companies, until 2016). Mr Lundberg also served as the Regional director at Microsoft Nordics and Baltics (until 2002) and as a Country manager at Fortum Sweden and Norway (until 2009).

Own and related party shareholding in Raketech Group Holding PLC: 81,955

Independent in relation to the Company / major shareholders: Yes/Yes

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Annika Billberg

Born: 1975

Elected: May 2018

Education: MSc Business Economics at International Business School in Jönköping and the University of Business & Economics in Vienna.

Ms Billberg is currently Chairman of the Board at YMR Track Club AB. She is the founder and CEO of True Communications AB. Previously, she held the position as Chief Brand & Communications Officer at Intrum AB (until 2018) and Communications and Marketing Director (until 2017) and IR and Communications Director (until 2014) at Intrum Justitia AB.

Own and related party shareholding in Raketech Group Holding PLC: 7,400

Independent in relation to the Company / major shareholders: Yes/Yes

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Erik Skarp

Born: 1985

Elected: September 2016

Education: Upper secondary education, Polhemskolan, Lund

Mr Skarp is the founder of Raketech Group Holding PLC and board member at Gameday Group Ltd and Light Showdown Ltd and founder and CEO of BetHard Group Ltd. He was previously the Chairman of the board and CEO of House of Crisp AB (until 2014) and board member at Fiberkonsulten Norrköping AB (until 2015).

Own and related party shareholding in Raketech Group Holding PLC: 3,353,265 (through company)

Independent in relation to the Company / major shareholders: Yes/No

Fredrik Svederman

Born: 1970

Elected: April 2017

Education: Bachelor in Business Administration, Stockholm University, studies at UCLA, UC Berkeley.

Mr Svederman is currently the Senior Group Financial Controller at Evolution Gaming, where he previously has held positions as board member at various group companies within Evolution Gaming (until 2016) and he was the CFO of Evolution Gaming (until 2017). Before Evolution Gaming, Mr Svederman was the CFO at Nordnet (until 2010).

Own and related party shareholding in Raketech Group Holding PLC: 85,000 (through endowment insurance)

Independent in relation to the Company / major shareholders: Yes/Yes

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Johan Svensson

Born: 1985

Elected: September 2016

Education: Upper secondary education, Af Chapman Gymnasiet Karlskrona.

Mr Svensson is the founder and was the CEO of Raketech Group Holding PLC until 2017 when he assumed the role as Chief Commercial Officer (until 2019). He now serves Raketech as a consultant responsible for the expansion in the US. Mr Svensson is also the founder and board member of BetHard Group Ltd and a board member in Gameday Group Ltd and Akterbog Ltd.

Own and related party shareholding in Raketech Group Holding PLC: 3,259,930 shares (through company)

Independent in relation to the Company / major shareholders: No/No

Senior management team

Photo: ***Majda Toumi***

Oskar Mühlbach

Chief Executive Officer

Born: 1980

Education: Masters in Business Management and Engineering at Luleå University of Technology

Oskar Mühlbach, CEO of Raketech since December 2019, initially joined the Company as Senior Advisory Consultant in late 2018 and was, in May 2019, appointed to COO. Prior to Raketech, Mr Mühlbach has held several senior positions within some of the Nordic region's most successful e-commerce and iGaming companies.

Mr Mühlbach's most recent position was as Chief Ventures Officer and Managing Director of Mr Green Ltd's digital media agency Green Media and before that as COO of Mr Green Ltd. Among other positions, he has furthermore been partner and member of the management team at digital shoe retailer Footway Group as well as COO at the global contact lens and glasses e-retailer Lensway.

Holding in Raketech Group Holding PLC: 44,000 shares and 115,000 options

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Klas Winberg

Chief Marketing Officer

Born: 1972

Education: Masters in Media and Communication at Uppsala University, Exchange studies at San Jose State University and Salzburg Universität.

Mr Winberg joined Raketech as CMO during 2019. Prior to Raketech he was the VP Sales and Marketing at Catena Media, Head of Marketing at the Front Line (until 2015), Area Manager (until 2013) and Country Manager (until 2012) at Betfair.

Holding in Raketech Group Holding PLC: 30,000 shares and 70,000 options

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Måns Svalborn

Chief Financial Officer

Born: 1979

Education: Master of Science in Business and Economics at Uppsala University.

Mr Svalborn joined Raketech as CFO during 2019. Prior to Raketech he was CFO at Credorax Bank Ltd, Head of Group Regulatory Financial Reporting at Nordea Bank (until 2018), Head of Legal and Regulatory Reporting Norway at Nordea Bank (until 2017) and Group Finance Manager at Öhman Group (until 2015).

Holding in Raketech Group Holding PLC: 10,000 shares and 100,000 options

Martin Schillig

Human Resources Director

Born: 1983

Education: Diplom Plegewirt (FH), HFH Hamburg, Advanced Award in Reward Management, QCF Level 7, Chartered Institute of Personnel and Development, certified Agile HR Manager, HR Pioneers.

Mr Schillig has been the Director of HR since July 2017. He was previously Head of HR Shared Services and HR Manager at Betsson Group (until 2017), HR Manager (until 2012) and HR Business Partner (until 2015) at Tipico.

Holding in Raketech Group Holding PLC: 9,855 shares and 99,481 options

Andreas Kovacs

Director of Business Development

Born: 1984

Education: Masters in Economics and Auditing, Umeå University and University of Zürich, Bachelor in Marketing, Umeå University.

Mr Kovacs was the CFO of Raketech until 2019 when he assumed the role as Director of Business in Development. Prior to this, he was Senior Manager at BDO Corporate Finance AB (until 2017), Director of Corporate at Finance Mazars (until 2014), Senior Consultant Transaction Services at PwC (until 2013) and accountant at PWC (until 2010).

Mr Kovacs is presently a board member at PSC Entertainment Ltd and Company Secretary at Tuffle Enterprises Ltd.

Holding in Raketech Group Holding PLC: 18,630 shares and 136,331 options

Directors' Report

The directors present their report and the consolidated and separate audited financial statements of Raketech Group Holding PLC (the "Group") for the year ended 31 December 2019. The Group has five subsidiaries; Raketech Group Ltd, Gamina Limited, TV Sports Guide Ltd, Casumba Media Ltd and Shogun Media Ltd. All subsidiaries are Malta incorporated entities.

PRINCIPAL ACTIVITIES

Our corporate objective is to create sustainable long-term shareholder value through acquiring, creating and operating high-yielding intangible assets within iGaming and assist our customers with affiliation and with performance marketing globally.

The Group attracts users through online marketing channels, such as comparison products, communities, services and other media products. For this purpose, the Group owns and operates websites and other media assets in various jurisdictions. The Group's strategy is to match sport and casino players with relevant content to be able to attract high value traffic of potential players to the Group's customers.

REVIEW OF THE BUSINESS

2019 Financial key performance indicators

The directors are pleased to report a stable financial performance during the financial year 2019, despite a turbulent year in the Group's main market, Sweden. The Group has successfully re-paid its previous debt during 2019 and has operated with a net cash balance during the year. The Group completed two acquisitions, which further strengthened the Group's product portfolio and geographical split.

Revenue for 2019 amounted to € 23.9 million (€ 25.6 million in 2018). Performance in 2019 was negatively affected by the underlying market development in Raketech's key markets. As Raketech's largest market Sweden has declined during 2019, post regulation, we have not been able to reach growth during the year despite a strong development in new depositing customers.

The cost base, which comprises of direct costs, employee benefit expenses, and other expenses amounted to € 17.8 million (€ 14.4 million in 2018). The increased cost base is mainly driven by a changed product mix, together with increased investments in the product portfolio and in our organisation. These investments are deliberate steps as we change our operational ambition from regional to global and initiate our transformation from "affiliation only" to a tech-driven and innovative global performance marketing company. The increased cost base was also affected by non-recurring expenses relating to the severance pay to the former CEO, relocation expenses for the move of the Company's Danish office and by the revaluation of goodwill. Furthermore, the cost base is also affected by loss allowance for trade receivables.

During the year, Raketech took the final step in optimizing the capital structure post-IPO, when the outstanding debt of € 7.7 million from the previous loan facility was repaid. The Group has also secured a new financing up to € 10 million with more favourable commercial conditions which has led to lower financial expenses during the year. The contractual terms of this loan require Raketech Holding PLC to pledge its entire shareholding in Raketech Group Limited to the lenders as collateral.

Raketech Group Holding PLC is the Parent Company of the Group. The Company has no revenues (€ 3.0 million) during 2019 and total costs amount to € 0.9 million (€ 0.4 million) and relate primarily to personnel expenses for management. Loss for the year was € 1.1 million (profit € 1.8 million). The profit during 2018 relate to received divided, recognised as other income.

2019 Non-financial key performance indicators

During the year, Raketech has completed two acquisitions. The acquisitions were competed in line with Raketech's strategy for continued geographical expansion and continued expansion of the product portfolio. With the acquisition of Casumba Media Ltd, Raketech set its footprint in Asia. Casumba offers affiliate websites in the Japanese market, an emerging market in iGaming. The second acquisition was done in order to expand our offering of online sports TV listing platforms, by acquiring Finland's leading sports listing website TVmatsit.com.

Through the Group's innovation lab "the LAB" several new products have been launched during 2019, such as the launch of the Group's own white label casino Rapidi.com. Rapidi.com has been used in order to get insight of the player journey in order to enhance Raketech's core affiliate assets and improve lead conversion. During the year we also launched CasinoFever.ca, an online casino comparison website tailored for the Canadian market.

During the year, Raketech has repurchased in total 487,000 own shares, equivalent to 1.3 percent of the total number of shares and votes in the company, with the purpose to decrease Raketech's capital. The share repurchased have been carried out within the buyback programme authorised at the Annual General Meeting held on 8 May 2019. At the date off the AGM for 2019, Raketech held no own shares out of the total number of shares issued by Raketech (37,900,633).

The programme has now been terminated until further notice as the Board of Directors assesses that the opportunities for organic and M&A-driven growth have strengthened. It is also assessed that larger shareholder value can be created over time through focusing on the Group's ongoing global expansion strategy, rather than investing cash flow and financing in repurchasing shares. The total price for the repurchased shares under the programme amounts to SEK 8.8 million.

2020 and beyond

Continued investments are expected during 2020 in IT and infrastructure to continue to invest in automation. Intensified focus on geographical expansion is expected 2020 through both M&A and organic initiatives. In-house innovation, in form of new product releases is planned through "the LAB" during 2020.

Risk management and exposures

The remote gaming industry, where the Group has its main customers, continues to undergo regulation and is therefore subject to political and regulatory risk. The Group operates in the emerging online gaming industry. Although, Raketech is an affiliate marketing company and not an iGaming operator, the legislation concerning online gambling could directly or indirectly affect Raketech's operations. Changes to existing regulations in various jurisdictions might impact the ability for the remote gaming operators to operate and accordingly, revenue streams from these customers may be adversely impacted. The Group may also be exposed to measures brought against customers by public authorities or others, which could be extended to any third-party having abetted the business of such remote gaming operators.

The Group monitors regulatory changes within the European market, and changes are also tracked in the North American, South American and the Asian markets. The Group's strategy to also operate in grey markets might increase exposure to regulatory risks. If any new regulatory regimes come into force, the Group will conform with such requirements by applying for the necessary licenses in the respective jurisdiction.

The Group is primarily exposed to the Nordic region, and a significant amount of the revenue is generated from Sweden. Reviews of gaming taxation laws have already taken place in a number of EU jurisdictions, including Sweden, which is the top market for the Group.

As the Group continues to embark on its growth strategy with the ambition to enhance the global footprint in both regulated and grey markets, the exposure to different regulatory frameworks continue to increase.

For the principal financial risks and exposures, refer to Note 4 'Financial Risk Management' that details the key risk factors including market risk, credit risk, liquidity risk and the Group's approach towards managing these risks.

RESULTS AND DIVIDENDS

The statement of comprehensive income is set out on page 48. No dividend has been declared during the year ended 31 December 2019. The directors propose that the balance of retained earnings amounting to € 25,115,355 (2018: € 17,948,362) should be carried forward to the next financial year.

EVENTS AFTER THE REPORTING PERIOD

Lead Republic Ltd

Raketech announced on March 11, 2020 that it acquired all assets of Lead Republik Ltd, a Maltese registered media company with global revenues, however predominantly from Canada, New Zealand and Germany. As a result of the acquisition, Raketech's revenues outside the Nordics are expected to reach approximately 20 percent of the Group's total revenues. Raketech has acquired the assets, including all employees, of Lead Republik Ltd as of 11 March 2020 for an upfront payment of € 1.4 million, with the possibility of additional earnout payments based on certain performance measures. Part of the earnout is capped up to a maximum of € 0.3 million until 28 February 2021, and part of the earnout is uncapped, based on future performance up until 28 February 2022. The acquired operation will be an integrated part of Raketech Group Limited as of 11 March 2020. The acquisition was settled using the Group's internally generated cash. Management are in the process of determining whether this represents a business or asset acquisition.

Covid-19 and potential impact on financial and operational performance

On March 27, 2020 Raketech published information about the potential impact of Covid-19. Raketech does not anticipate substantial negative effects on the iGaming industry in the long term, even though sports betting revenues will most likely be affected negatively during 2020 due to the many cancelled sports events. At the same time, it is worth mentioning the fact that when access to most gambling shop is limited and when people in general spend more time in isolation, gambling revenues are to some extent directed towards digital gambling and in particular casino. Raketech has approximately

70% revenues derived from Casino, 25% from Sports and 5% from Other. Exactly how the combination of the reduced sports betting revenues for the industry and the increased interest for digital casino will affect Raketech during 2020 is, at this stage, too early to predict with certainty. Q1 2020 is so far delivering revenues in line with expectations with January and February revenues amounting to approximately € 4.0 million in total. During March, Raketech expects to deliver revenues in line with the two previous months, excluding revenues from the newly acquired Lead Republik Ltd.

Raketech does not anticipate any significant Covid-19 related challenges with respect to its ability to continue generating sufficient cash to meet its obligations (primarily amounts committed on acquisition as disclosed in Note 23 and trade and other payables as disclosed in Note 24) as and when they become due over the next twelve months. In addition to this, as disclosed in Note 22, the Group also has an unutilised revolving credit facility of €6.5m which it can call on should the need arise.

Raketech has, since a few weeks back, allowed its employees to work from home, banned all business travel and required staff that has been traveling for private matters to self-quarantine for a minimum of 14 days. From an internal perspective, Raketech has so far been able to maintain the operational efficiency thanks to these actions and its modern tech infrastructure and distributed work methodology that allows for this type of set up.

Raketech considers the spread of Covid-19 to be a non-adjusting post balance sheet event which means that the recoverable amount of intangible assets, including considerations of indicators of impairment, was based on economic conditions, including equity market levels, that existed at 31 December 2019. Similarly, credit risk assessment and loss allowance assessments according to IFRS9 related to outstanding trade receivables was determined as at 31 December 2019. Such assessments did therefore not include any potential future impact of the effect Covid-19. The assessment of impairment of intangible assets and loss allowance for trade receivables are considered as critical accounting estimates (Note 3). Note 14 provides further detail on the impairment of assessment for intangible assets.

DIRECTORS

The directors of the Group who held office during the year were:

Mr. Carl Oscar Christian Lundberg

Mr. Benkt Fredrik Svederman

Mr. Johan Per Carl Svensson

Mr. Erik Johan Sebastian Skarp

Ms. Annika Maria Billberg

The Company's Articles of Association do not require any directors to retire.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Group as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Johan Svensson
Director

Erik Skarp
Director

Registered office:

6, Paceville Avenue
St. Julians STJ 3109
Malta
8 April 2020

Financial statements

Consolidated statement of comprehensive income

		Year ended 31 December	
		2019	2018
	Notes	€	€
Total revenue	7	**23,906,443**	**25,556,667**
Direct costs relating to fixed fees and commission revenue		(3,550,689)	(2,141,625)
Employee benefit expense	8	(5,200,616)	(4,840,175)
Depreciation, amortisation and impairment	14, 15, 16	(4,511,942)	(1,701,257)
IPO related costs		-	(1,503,453)
Loss allowance on trade receivables	4	(890,223)	(446,863)
Other operating expenses	10	(3,670,110)	(3,729,207)
Total operating expenses		**(17,823,579)**	**(14,362,580)**
Operating profit		**6,082,864**	**11,194,087**
Other non-operating income	25	2,281,714	-
Finance costs	11	(958,249)	(6,401,394)
Profit before tax		**7,406,329**	**4,792,693**
Tax expense	12	(256,231)	(239,315)
Profit for the year - total comprehensive income		**7,150,098**	**4,553,378**
Total comprehensive income is attributable to:			
Equity holders of the Parent Company		7,237,030	4,707,207
Non-controlling interest		(86,932)	(153,829)
Earnings per share attributable to the equity holders of the parent during the year (expressed in Euro per share)			
Earnings per share before dilution		**0.19**	**0.15**
Earnings per share after dilution		**0.19**	**0.15**

The notes on pages 52-72 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

		As at 31 December	
		2019	2018
	Notes	€	€
ASSETS			
Non-current assets			
Goodwill	14, 27	-	344,359
Intangible assets	14	73,407,493	65,672,633
Right of use assets	15	317,990	-
Property, plant and equipment	16	133,716	240,970
Total non-current assets		**73,859,199**	**66,257,962**
Current assets			
Trade and other receivables	17	4,149,980	4,323,023
Cash and cash equivalents	18	4,190,720	7,525,649
Total current assets		**8,340,700**	**11,848,672**
Total assets		**82,199,899**	**78,106,634**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	75,801	75,801
Share premium	19	39,386,685	39,386,685
Other reserves	20	428,096	1,253,540
Retained earnings	13	25,115,355	17,948,362
Equity attributable to owners of the Company		**65,005,937**	**58,664,388**
Non-controlling interests		55,096	66,756
Total equity		**65,061,033**	**58,731,144**
LIABILITIES			
Non-current liabilities			
Borrowings	22	3,354,378	7,879,877
Deferred tax liability	21	1,093,913	837,683
Lease liabilities	15	152,110	-
Amounts committed on acquisition	23	5,446,574	4,039,170
Total non-current liabilities		**10,046,975**	**12,756,730**
Current liabilities			
Amounts committed on acquisition	23	5,235,025	3,045,605
Lease liabilities	15	167,047	-
Trade and other payables	24	1,673,153	3,573,120
Current tax liabilities		16,666	35
Total current liabilities		**7,091,891**	**6,618,760**
Total liabilities		**17,138,866**	**19,375,490**
Total equity and liabilities		**82,199,899**	**78,106,634**

The notes on pages 52-72 are an integral part of these consolidated financial statements.
The consolidated financial statements on pages 48-72 were authorised for issue by the Board on 8 April 2020 and were signed on its behalf by:

Johan Svensson
Director

Erik Skarp
Director

Consolidated statement of changes in equity

	Notes	Share Capital €	Share Premium €	Other Reserves €	Retained Earnings €	Total Equity Attributable to Owners of the Company €	NCI €	Total Equity €
Balance at 1 January 2019		**75,801**	**39,386,685**	**1,253,540**	**17,948,362**	**58,664,388**	**66,756**	**58,731,144**
Comprehensive income								
Profit for the year		-	-	-	7,237,030	7,237,030	(86,932)	7,150,098
Transactions with owners								
Equity-settled share-based payments	20	-	-	189,420	-	189,420	-	189,420
Acquisition of treasury shares	19	-	-	(829,964)	-	(829,964)	-	(829,964)
Acquisition of NCI		-	-	(184,900)	-	(184,900)	4,900	(180,000)
Other transactions with NCI		-	-	-	(70,037)	(70,037)	70,372	335
Total transactions with owners		**-**	**-**	**(825,444)**	**(70,037)**	**(895,481)**	**75,272**	**(820,209)**
Balance at 31 December 2019		**75,801**	**39,386,685**	**428,096**	**25,115,355**	**65,005,937**	**55,096**	**65,061,033**
Balance at 1 January 2018		1,770	999,980	1,204,672	13,459,904	15,666,326	-	15,666,326
Comprehensive income								
Profit for the year		-	-	-	4,707,207	4,707,207	(153,829)	4,553,378
Transactions with owners								
Issue of share capital (Net of transaction costs)	19	74,031	38,386,705	(1,000,000)	-	37,460,736	-	37,460,736
Equity-settled share-based payments	20	-	-	120,410	-	120,410	-	120,410
Shareholder's contribution		-	-	928,458	-	928,458	-	928,458
Transactions with non-controlling interests		-	-	-	(218,749)	(218,749)	219,997	1,248
Non-controlling interests on acquistion of subsidiary		-	-	-	-	-	588	588
Total transactions with owners		**74,031**	**38,386,705**	**48,868**	**(218,749)**	**38,290,855**	**220,585**	**38,511,440**
Balance at 31 December 2018		**75,801**	**39,386,685**	**1,253,540**	**17,948,362**	**58,664,388**	**66,756**	**58,731,144**

The notes on pages 52-72 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	Year ended 31 December 2019 €	2018 €
Cash flows from operating activities			
Profit before tax		7,406,329	4,792,693
Adjustments for:			
Depreciation, amortisation and impairment		4,511,942	1,701,257
Loss allowance		890,223	446,863
Net finance costs		958,249	6,401,394
Equity-settled share based payment transactions		189,420	120,410
Waiver of related party liability		(2,281,714)	-
Loss on disposal of property, plant and equipment		2,612	8,845
		11,677,061	**13,471,462**
Net income taxes paid		(35)	(194,470)
Changes in:			
Trade and other receivables		(573,663)	(2,093,488)
Trade and other payables		358,692	35,093
Net cash generated from operating activities		**11,462,055**	**11,218,597**
Cash flows from investing activities			
Acquistion of property, plant and equipment		(27,593)	(34,693)
Acquisition of intangible assets		(8,691,306)	(15,770,802)
Payment for acquisition of subsidiaries		-	(731,817)
Proceeds from sale of property, plant and equipment		3,151	-
Net cash used in investing activities		**(8,715,748)**	**(16,537,312)**
Cash flows from financing activities			
Repayments of borrowings		(7,879,877)	(22,627,000)
Proceeds from drawdowns on borrowings		3,298,838	-
Proceeds from issue of share capital, net of transaction costs		-	36,263,922
Acquisition of treasury shares		(829,964)	-
Transactions with NCI		(180,000)	1,836
Lease payments		(172,280)	-
Interest paid		(317,953)	(3,894,311)
Net cash (used in)/generated from financing activities		**(6,081,236)**	**9,744,447**
Net movements in cash and cash equivalents		(3,334,929)	4,425,732
Cash and cash equivalents at the beginning of the year		7,525,649	3,099,917
Cash and cash equivalents at the end of the year	18	**4,190,720**	**7,525,649**

The notes on pages 52-72 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 REPORTING ENTITY

Raketech Group Holding PLC is a public limited company and is incorporated in Malta. The consolidated financial statements include the financial statements of Raketech Group Holding PLC and its subsidiaries, (together, the "Group" or the "Company").

Raketech Group Holding Limited was incorporated on 29 September 2016 under the terms of the Maltese Companies Act (Cap. 386). Subsequently, on 13 February 2018 the Company changed its legal status from a private limited company to a public limited company, and as a result changed its name to Raketech Group Holding PLC.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Raketech Group Holding PLC and its subsidiaries.

2.1 Basis of preparation

2.1.1 Compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention as modified by the revaluation of financial liabilities at fair value through profit or loss.

The principal accounting policies adopted in the preparation of these financial statements are set out below. Amounts or figures in parenthesis indicate comparative figures for the financial year 2018.

This is the first set of the Group's annual financial statements in which IFRS 16 Leases has been applied. The related changes to significant accounting policies are described below, please see Note 2.1.2.

2.1.2 Changes in accounting policies

In 2019, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2019. The new standards that came into effect have had limited impact on the Group's financial statements.

The Group has adopted IFRS 16 Leases from its mandatory adoption date of 1 January 2019 and applied the simplified transition approach i.e. the Group has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. With IFRS 16 almost all leases are being recognised on the balance sheet by the lessee, as the distinction between operating and finance leases is removed. The only exceptions are short term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the statement of financial position.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the statement of the comprehensive income, the straight-line expense for the operating lease is replaced by a charge for amortisation on the leased asset and an interest expense attributable to the liability. This accounting is based on the view that that the lessee has a right to use an asset under a specific time period and at the same time having an obligation to pay for this right.

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on

1 January 2019 was 6%. The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

The Group has entered into a long-term office lease, which under IAS 17 was classified as an operating lease for a total commitment amount of € 627 thousand. According to the new standard, the lease liability is measured at present value of the remaining lease payments as of 1 January 2019, these amounted to € 576 thousand.

With the new standard, the rental costs of € 200 thousand for the year ending 31 December 2019 are replaced by a notional interest of € 28 thousand and depreciation of € 173 thousand. This results in an increase of EBITDA of € 200 thousand for the full year 2019. The increase in EBITDA is due to the amortisation of the right-of-use assets and interest on the lease payments which, in line with IFRS 16, are excluded from this measure. The operating lease payments, according to IAS 17, were presented within EBITDA. Rental payments under IFRS 16 are allocated between interest payments and a reduction of the lease liability, with a corresponding impact on the Group's statement of cash flow within the financing activity. Further impact of IFRS 16 is disclosed in note 15.

2.1.3 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2020. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

2.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euro ("€"), which is the functional currency of the Parent Company and its subsidiaries and the Group's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.3 Principles of consolidation

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3.2 Non-controlling interest (NCI)

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2.3.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.4 Revenue recognition

In line with IFRS 15 the Group recognises revenue when the customer obtains control of a performance obligation and has the ability to direct the use and obtain the benefits of the performance obligation and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue comprises the fair value of the consideration received or receivable from transactions in the ordinary course of the Group's activities.

The Group's revenue is primarily derived from online and affiliate marketing; it consists of revenue generated in the form of commissions on players directed or referred to iGaming operators, as well as advertising fees charged to iGaming operators who want additional exposure on the Group's websites. The Group only earns commissions from affiliate marketing agreements once an individual deposits money or places a bet with the operators.

During 2019, the Group launched a white label casino product called Rapidi. Revenues from this product are accounted for as revenue share under commission income.

a. Commission income

Commission arrangements with iGaming operators take the form of one, or both, of the following:

Revenue share | When the Group enters a revenue share arrangement it receives a share of the revenues that the iGaming operator has generated as a result of a referred player playing on the operator's site. Revenue is recognised in the month that it is earned by the respective operator.

Cost per acquisition ('CPA') | CPA deals are arrangements in which iGaming operators remit a one-time fee for each referred player who deposits money on the operator's iGaming site. CPA contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

b. Flat fees

The Group also generates revenues by charging a fixed fee to customers that would like to be listed and critically reviewed on the Group's websites as well as through advertising revenue whereby an advertising space is sold to gaming operators who wish to promote their brands more prominently on one of the many sites the Group has to offer. Such revenue is apportioned on an accrual's basis over the whole term of the contract.

All revenue generated from the various acquisitions and through the different marketing methodologies is being treated as one revenue segment in line with internal management reporting.

2.5 Income tax

The income tax expense or credit for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.6 Cash and cash equivalents

Cash and cash equivalents are initially carried in the statement of financial position at fair value and subsequently measured at amortised cost. In the statement of cash flows, cash and cash equivalents comprise deposits held at call with banks and e-wallets.

2.7 Trade and other receivables

Trade receivables are amounts due from operators in the iGaming, financial and media sector for transactions and services performed in the ordinary course of business (as described in note 2.4). They are generally due for settlement within 30 days and are therefore all classified as current. For assets where collection is expected after more than one year, these are classified as non-current.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 4.2.2. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.8 Leases

As explained in note 2.1.2, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described in notes 2.1.2 and 15.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

2.9 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are instead tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. i.e. cash-generating units (CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had previously been recognised.

2.10 Intangible assets

2.10.1 Recognition and measurement (intangible assets other than goodwill)

Acquired intangibles are analysed between website and domains, player databases, computer software and other intellectual property.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Where the cost of acquisition includes contingent consideration, cost is determined to be the current fair value of the contingent consideration as determined on the date of acquisition. Any subsequent changes in estimates of the likely outcome of the contingent event are reflected in the statement of financial position against the intangible asset's carrying amount. The cost of acquisition of intangible assets for which the consideration comprises an issue of equity shares is calculated as being the fair value of the equity instruments issued in the transaction.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included within 'other income/(expense)' in the statement of comprehensive income in the period of derecognition.

2.10.2 Recognition and measurement (Goodwill)

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

2.10.3 Amortisation of intangible assets

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired.

The estimated useful lives of intangible assets are as follows:

	Useful life
Websites and domains	Indefinite
Player databases	3 years
Computer software	3 years
Other intellectual property	3 years

The estimated useful life and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not systematically amortised and are instead tested for impairment (Note 2.9). The cost to renew domains is relatively inexpensive. This together with the Group's commitment to continue managing these domains means that there is an expectation that future economic benefits from these intangible assets will continue to flow to the Group over an indeterminable period. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

2.11 Property, plant and equipment

2.11.1 Recognition and measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting periods.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'other income/(expense)' in the statement of comprehensive income in the period of derecognition.

2.11.2 Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired (note 2.9). Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Their estimated useful lives are as follows:

	Useful life
Office equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements*	5 years

* Leasehold improvements are depreciated over the shorter of the lease term and the improvements' useful lives of 5 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), *and*
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.12.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.12.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

b. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c. Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk (see note 4 for further detail).

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.15 Share capital and share premium

Ordinary shares are classified as equity. Any excess of the issue price over the par value on shares issued is recognised as share premium. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of Raketech Group Holding PLC as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Raketech Group Holding PLC. Please refer to note 19 for further detail.

2.16 Share-based payments

The Group's strategy to pursue its objective includes the acquisition of intangible assets. Certain acquisitions have resulted in the agreement by the Group to partially settle the purchase price through the transfer of shares in Raketech Group Holding PLC to the sellers. The Group measures the acquired intangible assets at their fair value at the acquisition dates, and recognises an equivalent increase in other equity.

The related amounts previously recognised in the other equity are credited to share capital (nominal value) and share premium when Raketech Group Holding PLC issues new shares in settlement of the obligation to deliver shares to the sellers of the intangible assets.

2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18 Employee benefits

2.18.1 Employer share incentive programme

An employer share incentive programme was introduced for certain key employees on 8 May 2019 in addition to the programme introduced 9 April 2018. Through these share incentive programme, key employees are granted share options. Share-based compensation benefits are provided to employees via the value employee option plan. The market value and the price (option premium) have been determined using the Black-Scholes valuation model, the effect will be recognized over the vesting period which is of up to three years. The shareholder dilution can be maximum 2% for the full programme (note 9).

The fair value of options granted under the Raketech Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); *and*
- including the impact of any non-vesting conditions (eg the

requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.18.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves terminations benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.19 *Earnings per share*

a. Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period.

b. Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares.

2.20 *Business combinations*

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used in the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequent remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.21 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO and the board of directors.

The CEO and the board of directors considers the Group to consist of one single segment, both from a business perspective and a geographical perspective in line with IFRS 8.

3 CRITICAL ESTIMATES AND JUDGMENTS

3.1 *Significant estimates and judgements*

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 except for:

- Business combinations
- Impairment of Intangible assets with an indefinite useful life (including goodwill)
- Amounts committed on acquisition

- Impairment of trade receivables
- Impact of Covid-19 (refer to note 30)

Business combinations

The Group made a couple of affiliate asset purchases during the year. Management performed an assessment of the application of IFRS 3, 'Business combinations' in concluding whether such purchases meet the definition of a business. In making its assessment, management took into account the standard's definition of a business: under IFRS 3 a 'business' consists of inputs and processes applied to the inputs that have the ability to create outputs.

Management concluded that all purchase of affiliate marketing assets are asset acquisitions. In each of these asset acquisition purchases, the Group has not acquired any processes, such as management processes, organisational structures, strategic goal-setting, operational processes or human and financial resource management. In this respect, management has determined that although it is possible for a business to have been acquired even if some processes have not been acquired, an acquisition of an asset or group of assets not accompanied by any associated processes is unlikely to meet the definition of a business. These purchases were therefore accounted for as asset acquisitions, with the consideration allocated on a fair value basis to player databases, other intellectual properties and content and domains, as disclosed in note 14.

Impairment of Intangible assets with an indefinite useful life (including goodwill)

IAS 36 requires management to undertake an annual test for impairment of intangible assets with an indefinite useful life. Impairment testing is an area involving management judgement. It requires assessments as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain estimates are required to be made in respect of highly uncertain matters, including management's expectation of growth in revenues. These estimates are considered to be critical particularly in light of current market circumstances.

The Group prepares and approves management plans for its operations, which are used in the calculations. Having considered the recent timing of the Group's acquisitions, the Group's future plans, and the significant headroom in the recoverable amount in comparison to the carrying amount, management considers that the Group's intangibles assets with an indefinite useful life are not impaired. Management has however found the recoverable amount of goodwill to be below the carrying amount, which is why a decision was made to fully impair the goodwill during the fourth quarter of 2019. Further disclosures on key assumptions are included in note 14.1.

Amounts committed on acquisition

Amounts committed on acquisition consist of contractual obligations resulting from the purchase of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments of performance-based amounts. The latter are further referred to as contingent considerations. The fair value is calculated on the expected cash outflow on each purchase agreement. Estimates of future cash flow relating to these contingent considerations is done by the Board at each acquisition of assets based of their knowledge of the industry and taking into account the economic environment at the time.

These contingent considerations are measured at fair value and are determined on the date of the acquisition and subsequently at each reporting date. The total amounts committed on acquisitions as at 31 December 2019 of € 10.7 million (€ 7.1 million) is contingent. As described in note 23, this amount is then classified into current and non-current.

Impairment of trade receivables

In line with the requirements of IFRS 9, for trade receivables, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. The inputs into this calculation are judgmental and highly subjective and need to be constantly updated in light of payment patterns and current market conditions. Ongoing assessments are being carried out by management in determining the adequacy of the provisions at each reporting date. Refer to Note 4.2 for further detail.

3.2 Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant unobservable inputs and valuation adjustments are regularly reviewed. Significant valuation issues are reported to the Group's audit committee.

4 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's activities potentially expose it to a variety of financial risks:

- credit risk;
- liquidity risk; *and*
- market risk (including foreign exchange, cash flow and fair value interest rate risk).

4.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The management of the Group's financial risk is based on a financial policy approved by the directors and exposes the Group to a low level of risk. The Group provides principles for overall risk management. The Group did not make use of derivative financial instruments to hedge risk exposures during the current and preceding period.

4.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk at the end of the reporting period is analysed as follows:

	2019 €	2018 €
Cash and cash equivalents (*note 18*)	**4,190,720**	7,525,649
Trade receivables - gross (*note 17*)	**3,016,925**	1,866,361
Amounts due from related parties (*note 17*)	**33,952**	17,670
Other receivables (*note 17*)	**100,467**	73,942
Accrued income (*note 17*)	**1,457,795**	2,095,885
Financial assets measured at amortised cost	**8,799,859**	11,579,507
Loss allowance (*note 17*)	**(787,500)**	(109,406)
Maximum exposure to credit risk	**8,012,359**	**11,470,101**

4.2.1 Risk management

Credit risk is managed on a Group basis. The Group has policies in place to ensure that it only deals with financial institutions with quality standing. As at 31 December 2018 and 2019, the Group's cash at bank was held with leading European financial institutions which have a credit rating of BBB- or better as assessed by the international rating agency Standard and Poor's.

The Group usually extends 30-day credit to the different clients. The Group regularly monitors the credit extended to these operators and assesses their credit quality taking into account financial position, past experience and other factors. The Group monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Group's receivables, taking into account historical experience in collection of accounts receivable. The Group does not hold any collateral as security in respect of its receivables.

4.2.2 Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; *and*
- other financial assets carried at amortised cost.

While cash and cash equivalents (Note 18) are also subject to the impairment requirements of IFRS 9, as the Group only works with financial institutions or payment intermediaries with high quality standing or rating, the identified impairment loss was immaterial.

a. Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales generated in one month and monitored over a period of 6 months before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. On that basis, the loss allowance as at 31 December 2019 for trade receivables was determined to be € 787,500 (€ 109,406).

Expected credit loss on receivables from trade receivables can be specified as follows:

	Loss	**Gross receivable**	**Expected loss**	**Net receivable**
Less than 30 days	4.6%	1,693,323	77,537	1,615,786
Between 30 to 60 days	11.7%	287,370	33,553	253,817
More than 60 days	65.3%	1,036,232	676,410	359,822
		3,016,925	787,500	2,229,425

The loss allowances for trade receivables as at 31 December 2019 and 2018 reconcile to the opening loss allowances as follows:

	2019 €	2018 €
Opening loss allowance at 1 January	**109,406**	-
Increase in loss allowance recognised in profit or loss during the year	**890,223**	446,863
Receivables written off during the year as uncollectable	**(212,129)**	(337,457)
Closing loss allowance at 31 December	**787,500**	109,406

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

The executive management does not consider that any individual customer or group of interdependent customers constitute any material concentration of credit risk with regard to accounts receivables.

4.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities which comprise borrowings and trade and other payables (including amounts committed on acquisition). Liquidity risk is monitored at a group level by ensuring that sufficient funds are available to each subsidiary within the Group.

The approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This risk management process includes the regular forecasting of cash flows by the Group's management.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Company's liquidity risk is actively managed taking consideration of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Company's financing that it can access to meet liquidity needs. In this respect management does not consider liquidity risk to the Company as significant taking into account the liquidity management process referred to above.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. Balances in the table below represent the carrying value as the impact of discounting is not significant. Additional information regarding amounts committed on acquisition is disclosed in note 23.

	Carrying amount €	On demand €	Less than 1 year €	Between 1 and 2 years €	Between 2 and 3 years €	Over 3 Years €
At 31 December 2019						
Liabilities						
Borrowings (note 22)	3,354,378	-	3,086	-	3,351,292	-
Amounts committed on acquisition (note 23)	10,681,599	-	5,235,025	1,849,693	1,313,048	2,283,833
Amounts payables to related parties (note 24)	8,575	8,575	-	-	-	-
Other trade and other payables (note 24)	1,496,924	-	1,496,924	-	-	-
Lease Liabilities (note 15)	319,157	-	167,047	152,110	-	-
	15,860,633	**8,575**	**6,902,082**	**2,001,803**	**4,664,340**	**2,283,833**
At 31 December 2018						
Borrowings (note 22)	7,879,877	-	196,877	7,683,000	-	-
Amounts committed on acquisition (note 23)	7,084,775	-	3,045,606	1,671,070	2,368,099	-
Amounts payables to related parties (note 24)	2,290,289	2,290,289	-	-	-	-
Other trade and other payables (note 24)	1,124,213	-	1,124,213	-	-	-
	18,379,154	**2,290,289**	**4,366,696**	**9,354,070**	**2,368,099**	**-**

4.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk comprises foreign currency risk and interest rate risk.

4.4.1 Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective group Company's functional currency.

The Group's financial assets and financial liabilities are mainly denominated in EUR, which is the functional currency of the main operating subsidiary within the Group. The Group´s exposure to the risk of changes in foreign exchange rates relates primarily to the Group's international operating activities. The Group's revenues are mainly denominated in EUR, with limited revenues in USD and SEK. Historically, exposure to currency fluctuations has not had a material impact on the Group's financial condition or results of operations. Accordingly, the directors of Raketech Group Holding PLC do not consider the Group to be significantly exposed to foreign exchange risk, and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

4.4.2 Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on fair values of financial assets and liabilities and future cash flows. The Group's main exposure to cash flow interest rate risk is a combination of cash balances and borrowings which at year-end results in a relatively low net balance on which the impact of a shift in interest is immaterial.

The Group regularly monitors its interest rate risk and considers it to be insignificant, therefore an interest rate sensitivity analysis is not deemed necessary.

5 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst maximising the return to shareholders through the optimisation of debt and equity balances. Strategies are expected to remain unchanged in the foreseeable future. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

The Group's equity, as disclosed in the statement of financial position, constitutes its capital. The Group maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

6 FAIR VALUES OF FINANCIAL INSTRUMENTS

At 31 December 2019 and 2018 the carrying amounts of cash at bank, receivables, payables, borrowings and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

7 REVENUE

The Group targets end-users and generates revenue by driving organic traffic through various channels to generate customer leads for its business partners. The Group also generates revenue through acquisitions. All revenue generated via acquisitions and through the different marketing methodologies is categorised as one revenue segment in line with internal management reporting.

The revenue for Raketech in 2019 and 2018, is further analysed as follows:

	2019 €	2018 €
Revenue	**23,906,443**	25,556,667
- Commissions	***19,916,654***	*22,017,684*
- Flat fees	***3,989,789***	*3,538,983*

8 EMPLOYEE BENEFIT EXPENSE

	2019 €	2018 €
Wages and salaries	**4,466,360**	4,455,983
Social security costs	**194,836**	263,782
Share-based payments	**189,420**	120,410
Termination benefits	**350,000**	-
	5,200,616	4,840,175

The average number of persons employed during the year:

	2019	2018
Management	**5**	6
Administration and operating	**77**	78
	82	84

9 SHARE-BASED PAYMENTS PLAN

The Group has implemented two share-based incentive programmes where certain employees and consultants within the Group can be allotted up to 491,346 option rights within the first programme, and up to 758,012 option rights within the second programme released during 2019, all free of charge. These correspond to, in total, a maximum of 1,249,358 new shares and a dilution amounting to approximately 3.3 (1.3) percent.

The options within the first programme are offered in two tranches whereof the first ('Tranche I') comprises 20 percent and the second ('Tranche II') comprises 80 percent of the total amount of options in the programme. The participants of the share-based incentive programme had the possibility to exercise the Tranche I options until 29 December 2018, but no participant exercised, resulting in that all Tranche 1 options lapsed.

The options granted to key employees under the 2019 programme were granted in three tranches, vest in three consecutive years starting on 8 May 2019 and expire in three years after the grant date.

Following the lapse of the Tranche 1 options from the first programme the maximum issue of new shares that can take place is 1,151,089 and the theoretical dilution impact of the share-based incentive programme is approximately 3.04 percent.

The assessed fair value at grant date of options granted during the year ended 31 December 2019, was € 0.40 per option. The fair value at grant date is independently determined using the Black & Scholes Model that considers the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year ended 31 December 2019 included:

(a) Number of periods to exercise the acquired options are 3 years

(b) exercise price: € 2.05

(c) grant date: From 23 May 2019

(d) expiry date: 3 years from grant date

(e) share price at 23 May 2019: SEK16.98

(f) expected price volatility of the Company's shares: 44 %

(g) risk-free interest rate: 1.3 %

The impact of the above on the income statement for 2019 amounts to € 28,874.

The model inputs for options granted during the year ended 31 December 2018 included:

(a) acquired options, that have not lapsed, are exercisable six months after 29 June 2020.

(b) exercise price: Tranche I: €3.66 per share (all options have lapsed), Tranche II: SEK 30

(c) grant date: 9 April 2018

(d) expiry date: 29 December 2020

(e) share price at grant date: N/A

(f) expected price volatility of the Company's shares: 45%

(g) risk-free interest rate: 1.3%

The impact of the above on the income statement for 2018 amounts to € 120,410.

The recipients of the offer within the first programme were 17 key employees throughout the Group, for a total of 393,071 options (491,346 options before Tranche 1 lapsed). Recipients of the offer within the second programme were 6 key employees throughout the Group, for a total of 456,250 options at the end of 2019.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

10 OTHER OPERATING EXPENSES

The Group's other operating expenses comprise the following:

	2019 €	2018 €
Other staff costs	**52,603**	108,416
IT services	**595,365**	721,476
Consultancy services	**1,626,481**	1,697,177
Professional fees	**298,000**	386,501
Rent	**81,107**	348,914
Travelling and entertainment	**316,523**	262,159
Other expenses	**700,031**	204,564
	3,670,110	3,729,207

10.1 Auditor's fees

Fees (exclusive of VAT) charged by the auditor for services rendered during the financial years ended 31 December 2019 and 2018 relate to the following:

	2019 €	2018 €
Annual statutory audit	**101,038**	80,292
Other assurance services	**15,635**	17,800
Tax advisory and compliance services	**14,816**	4,800
Other non-audit services	**4,000**	219,482
	135,489	322,374

11 FINANCE COST

Finance cost for the years ended 31 December 2019 and 2018 comprises the following:

	2019 €	2018 €
Interest cost and similar expenses	**958,249**	6,401,394

Please refer to note 22, Borrowings, for further information.

12 TAX EXPENSE

The tax charge for the years ended 31 December 2019 and 2018 comprises the following:

	2019 €	2018 €
Deferred tax	**256,231**	239,315
	256,231	239,315

The tax on the Group's results before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2019 €	2018 €
Profit before tax	**7,406,329**	4,792,693
Tax on profit at 5%	**370,316**	239,635
Tax effect of:		
Income not subject to tax	**(114,085)**	-
Other differences	**-**	(320)
Tax expense	**256,231**	239,315

13 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, it was resolved to split the € 0.27 shares into shares of € 0.002 each. As a result, the comparative information has been restated to reflect the change in number of shares in issue following the share split. Adjustments for calculation of basic earnings per share relate to the share buy-back programme in 2019 and the IPO in 2018.

	2019 €	2018 €
Basic earnings per share	**0.19**	0.15
Profit attributable to owners of the parent	**7,237,030**	4,707,207
Weighted average number of ordinary shares in issue	**37,661,392**	31,145,061

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares. Adjustments for calculation of diluted earnings per share relate to share option programmes for both 2018 and 2019.

	2019 €	2018 €
Diluted earnings per share	**0.19**	0.15
Profit attributable to owners of the parent	**7,237,030**	4,707,207
Weighted average number of shares after dilution	**38,285,282**	31,427,613

14 INTANGIBLE ASSETS

	Websites and domains €	**Player databases €**	**Other intellectual property**	**Computer Software €**	**Goodwill €**	**Total €**
At 1 January 2018						
Cost	44,930,628	1,801,857	-	319,379	-	47,051,864
Accumulated amortisation	-	(576,833)	-	(82,051)	-	(658,884)
Net book amount	44,930,628	1,225,024	-	237,328	-	46,392,980
Year ended 31 December 2018						
Opening net book amount	44,930,628	1,225,024	-	237,328	-	46,392,980
Additions	15,112,095	1,857,030	3,519,997	9,872	-	20,498,994
Additions acquired through business combination (note 27)	217,346	6,769	162,732	-	344,359	731,206
Amortisation charge	-	(982,261)	(455,726)	(168,201)	-	(1,606,188)
Closing net book amount	60,260,069	2,106,562	3,227,003	78,999	344,359	66,016,992
At 31 December 2018						
Cost	60,260,069	3,665,656	3,682,729	329,251	344,359	68,282,064
Accumulated amortisation	-	(1,559,094)	(455,726)	(250,252)	-	(2,265,072)
Net book amount	60,260,069	2,106,562	3,227,003	78,999	344,359	66,016,992

	Websites and domains €	Player databases €	Other intellectual property	Computer Software €	Goodwill €	Total €
Year ended 31 December 2019						
Opening net book amount	60,260,069	2,106,562	3,227,003	78,999	344,359	66,016,992
Additions	3,724,139	1,671,428	5,970,407	232,603	-	11,598,577
Amortisation charge and impairment	-	(1,499,222)	(2,269,373)	(95,122)	(344,359)	(4,208,076)
Closing net book amount	**63,984,208**	**2,278,768**	**6,928,037**	**216,480**	**-**	**73,407,493**
At 31 December 2019						
Cost	63,984,208	5,337,084	9,653,136	561,854	344,359	79,880,641
Accumulated amortisation and impairment	-	(3,058,316)	(2,725,099)	(345,374)	(344,359)	(6,473,148)
Net book amount	**63,984,208**	**2,278,768**	**6,928,037**	**216,480**	**-**	**73,407,493**

14.1 Intangible assets – amortisation and impairment

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Management has concluded that the acquired websites and domains are a single cash-generating unit for the purposes of IAS 36. This conclusion is based on the fact that the performance and cash flows of the different assets is dependent on those generated by other assets and the Group monitors and manages its operations as one business unit.

The directors have evaluated website and domains for impairment as at 31 December 2019 and are of the view that the carrying amount, amounting to € 63,984,208 (€ 60,260,069) is recoverable on the basis of the cash flows generated from these assets being in line, or exceeding, the estimated projections made prior to the acquisitions. Consequently, the directors have assessed that there is no need to impair the acquired domains and websites.

The recoverable amount of the acquired website and domains was assessed on the basis of value-in-use calculations, and a detailed assessment was performed at the end of the reporting period. The Group's conclusion is that the recoverable amount is well in excess of the assets' carrying amount disclosed above. The recoverable amount was based on:

- the cash flow projections reflecting actual income from operations in 2019;
- the expected cash flows for 2020 – 2024 (2018: 2019 – 2023) which include a Compounded Annual Growth Rate ('CAGR') of 10.2% (2018: 12.7%) over the period;
- an annual growth rate of 0% (2018: 1%) beyond these dates; *and*
- a pre-tax discount rate of 15.4% (13.4%).

The discount rate is based on the Group's pre-tax weighted average cost of capital. Management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. The directors are satisfied that the judgements made are appropriate to the circumstances relevant to these assets and their cash-generation.

The only exception is the recoverable amount of goodwill, which is now fully impaired. The impairment of goodwill relates to Shogun Media, an acquisition completed in June 2018 that was carried out predominantly for the know-how linked to paid media in Sweden. Taking into account the uncertainty as to when Google's paid media channel will open-up to advertisers, the Board of Directors has decided to write down the goodwill value of € 344,359 during the fourth quarter of 2019.

14.2 Sensitivity analysis

The Group's conclusion is that the recoverable amount of the single cash generating unit is highly sensitive to changes in key assumptions also taking into account the recent inherent uncertainties brought about by Covid-19. The principal assumption used in the impairment assessment relates to projected revenue growth rates. If the CAGR over the period 2020-2024 (as disclosed in Note 14.1 above) had to fall to below 6.2%, impairment would most likely arise. This analysis does not incorporate any other potential changes in other assumptions used in the impairment assessment.

15 LEASING

Raketech has applied IFRS 16, Leases, using the simplified transition approach. Accordingly, the comparative information has not been restated and continues to be reported under IAS 17. The reclassification following IFRS 16, is therefore recognised in the opening balance of 1 January 2019 as a lease liability and a right-of-use asset.

The liability is initially measured at present value of the remaining lease payments discounted using the Group's incremental borrowing rate. The applied rate of 6%, is the rate at which similar borrowing could be obtained from an independent financer under comparable terms and conditions.

From 1 January 2019, the payments related to leasing have been allocated between the lease liability in the statement of financial position and finance cost in the statement of comprehensive income. The finance cost is allocated to each period during the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease commitments disclosed as of 31 December 2018	**627,000**
	Leasing Liability
Discounted using the Group's incremental borrowing rate at 1 January 2019	575,456
Change in operating lease commitment	(84,019)
Notional interest charge	27,970
Payments [1]	(200,250)
Leasing liability at 31 December 2019 [2]	**319,157**

[1] Payments relate to rental costs replaced by notional interest and amortisation.

[2] Of the total leasing liability of € 319 thousand, € 152 thousand is long term and € 167 thousand is short term lease liabilities

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, and subsequently amortised using the straight-line method over the shorter of the asset's useful life and the lease term.

	Right-of-use asset
Right-of-use asset at 1 January 2019	575,456
Change in operating lease commitment	(84,019)
Amortisation charge	(173,447)
Right-of-use asset at 31 December 2019	**317,990**

16 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements €	Office equipment €	Furniture and fixtures €	Total €
At 1 January 2018				
Cost	39,569	298,735	61,074	399,378
Accumulated depreciation	(2,643)	(70,743)	(7,457)	(80,843)
Net book amount	36,926	227,992	53,617	318,535
Year ended 31 December 2018				
Opening net book amount	36,926	227,992	53,617	318,535
Additions	-	17,464	4,252	21,716
Disposals	-	(4,212)	-	(4,212)
Depreciation charge	(9,151)	(73,549)	(12,369)	(95,069)
Closing net book amount	27,775	167,695	45,500	240,970
At 31 December 2018				
Cost	39,569	311,987	65,326	416,882
Accumulated depreciation	(11,794)	(144,292)	(19,826)	(175,912)
Net book amount	27,775	167,695	45,500	240,970
Year ended 31 December 2019				
Opening net book amount	27,775	167,695	45,500	240,970
Additions	-	32,569	-	32,569
Disposals	-	(9,404)	-	(9,404)
Depreciation charge	(7,914)	(108,735)	(13,770)	(130,419)
Closing net book amount	**19,861**	**82,125**	**31,730**	**133,716**
At 31 December 2019				
Cost	39,569	335,152	65,326	440,047
Accumulated depreciation	(19,708)	(253,027)	(33,596)	(306,331)
Net book amount	**19,861**	**82,125**	**31,730**	**133,716**

17 TRADE AND OTHER RECEIVABLES

	2019 €	2018 €
Current		
Trade receivables – gross	**3,016,925**	1,866,361
Loss allowance	**(787,500)**	(109,406)
Trade receivables – net	**2,229,425**	1,756,955
Amounts due from related parties	**33,952**	17,670
Other receivables	**300,078**	73,942
Prepayments and accrued income	**1,586,525**	2,474,456
	4,149,980	4,323,023

Amounts due from related parties are unsecured, interest-free and have no fixed date for repayment. Further detail on the performance of trade receivables is disclosed in note 4.2.

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks. For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2019 €	2018 €
Cash at bank	**4,190,720**	7,525,649
	4,190,720	7,525,649

The cash and cash equivalents disclosed above and in the statement of cash flows include €171,419 (€118,026) which are restricted.

19 SHARE CAPITAL

Raketech Group Holding PLC was incorporated on 29 September 2016 with an issued share capital of 35,000 shares with a nominal value of €0.05 per share. These shares were subsequently split into 5 shares of €0.01 per share for each share previously held; the total number of shares in issue accordingly increased to 175,000. On 16 June 2017, a further 1,971 new shares in Raketech Group Holding PLC were issued with a nominal value of €0.01 per share and a share premium of €507.35 per share.

On 4 January 2018, Raketech Group Holding PLC redenominated each authorised and issued share from €0.01 per share to €0.27 per share. This increase, which resulted in total proceeds of €46,012, is reflected in the Group's financial statements ending 31 December 2018. On the same date, the authorised share capital was increased by 555,055,556 shares to 555,555,556 shares of €0.27 each.

By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, it was resolved to split the €0.27 shares into shares of €0.002 each. On 29 June 2018, Raketech Group Holding PLC was successfully listed on Nasdaq First North Premier Growth Market with an increase of 13,333,333 shares, leading to a new outstanding amount of 37,900,633 shares as at 29 June 2018 out of which Raketech held no own shares at the date of the annual general meeting 2019.

Details of Raketech Group Holding PLC's share capital as at 31 December 2019 and 2018 are as follows:

	2019 €
Authorised	
75,000,000,060 ordinary shares of €0.002 each	**150,000,000**
Issued and fully paid	
37,900,633 ordinary shares of €0.002 each	**75,801**

	2018 €
Authorised	
75,000,000,060 ordinary shares of €0.002 each	150,000,000
Issued and fully paid	
37,900,633 ordinary shares of €0.002 each	75,801

19.1 Share buy-back

The Board of Directors of Raketech has, pursuant to the authorisation of the Annual General Meeting on 8 May 2019, resolved to initiate a buyback of shares with the purpose to decrease Raketech's capital. The buy-back programme ran during the second half of 2019 and was carried out in accordance with the Market Abuse Regulation (EU) 596/2014 ("MAR") and the Commission Delegated Regulation (EU) 2016/1052 ("Safe Harbour Regulation"). The programme is now terminated until further notice after the decision taken by the Board of Directors during the fourth quarter of 2019.

A total of 487,000 shares, equivalent to 1.3% of the total number of shares and votes in the Company, were repurchased as part of the buy-back programme. The total price for the repurchased shares under the programme amounts to SEK 8.8 million.

20 OTHER RESERVES

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year ended 31 December 2018 and 2019. A description of the nature and purpose of each reserve is provided below the table.

	Other equity €	Other reserve €	Total €
At 1 January 2019	120,410	1,133,130	1,253,540
Equity-settled share based payments	189,420	-	189,420
Acquistion of treasury shares	(829,964)	-	(829,964)
Acquistion of NCI	(184,900)	-	(184,900)
At 31 December 2019	**(705,034)**	**1,133,130**	**428,096**
At 1 January 2018	1,000,000	204,672	1,204,672
Equity-settled share based payments	120,410	-	120,410
Issue ofshare capital	(1,000,000)	-	(1,000,000)
Shareholder's contribution	–	928,458	928,458
At 31 December 2018	**120,410**	**1,133,130**	**1,253,540**

The Group's other equity represents the value of shares committed to third parties as partial settlement of the Group's acquisition of intangible assets, but for which transfer of the shares is outstanding as at the end of the reporting period.

The Group entered into an agreement with a third party during the fiscal year ended 31 December 2017, through which the Group contractually agreed that an amount of €1,000,000 (denominated in SEK) would also be settled through the transfer of shares in Raketech Group Holding PLC. The amount of shares to be delivered to the sellers was established in the contract, which was equivalent to €1,000,000 divided by the value per share as determined on the acquisition date. These shares were delivered by 28 April 2018.

The Group's other reserve arose upon the reorganisation through which Raketech Group Holding PLC was interposed as the new Parent Company of Raketech Group Limited. The amount of €204,672, as at 1 January 2018 represents the excess of Raketech Group Limited's acquisition-date equity (excluding retained earnings) over the consideration paid by Raketech Group Holding PLC.

During 2018, part of the related party liabilities was waived and converted into shareholder's contribution within other reserves of € 928,458.

The Group's reserves are not distributable.

21 DEFERRED TAX

Deferred tax is calculated on all temporary differences under the liability method using the tax rate that is expected to apply to the period when the assets/liabilities are settled, based on the tax rates expected in the tax jurisdictions concerned. The principal tax rate used is 5% (2018: 5%), which is the effective tax rate for the Group's profits earned in Malta.

The movement in deferred tax balances is analysed as follows:

	Balance at 1 January €	Recognised in profit or loss €	Balance at 31 December €
31 December 2019			
Deferred tax assets			
Unutilised tax losses / Temporary differences on provision for impairment of receivables	(1,135,911)	(640,992)	(1,776,903)
	(1,135,911)	**(640,992)**	**(1,776,903)**
Deferred tax liabilities			
Temporary differences on amortisation of intangible assets	1,973,594	897,222	2,870,816
Net deferred tax (asset) / liability	**837,683**	**256,230**	**1,093,913**
31 December 2018			
Deferred tax assets			
Unremitted earnings of subsidiary	**(687,815)**	**687,815**	**-**
Unutilised tax losses / Temporary differences on provision for impairment of receivables	(432,943)	(702,968)	(1,135,911)
	(1,120,758)	**(15,153)**	**(1,135,911)**
Deferred tax liabilities			
Temporary differences on amortisation of intangible assets	1,030,990	942,604	1,973,594
Net deferred tax (asset) / liability	**(89,768)**	**927,451**	**837,683**

22 BORROWINGS

	2019 **€**	2018 €
Non-current		
Third party borrowings	**3,354,378**	7,879,877

In December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of € 10 million at a 3.75% rate of interest. As at 31 December 2019, the utilised credit amounts to € 3.5 million before the capitalised transaction costs of € 0.2 million.

On 4 March 2019, Raketech repaid the outstanding debt of € 8.0 million (including accrued interest) from its previous loan facility with the third-party Ares Management (Ares). The contractual terms of the revolving credit facility with Swedbank require Raketech Holding PLC to pledge its entire shareholding in Raketech Group Limited to the lender as collateral. The pledge towards Ares Management was released on 1 March 2019 and the same shares were re-pledged towards Swedbank on the same day following the agreement entered into on 20 December 2018.

For the period January to December 2019, finance costs, in relation to borrowings, have decreased to € 0.4 million (€4.9 million) due to the lower outstanding loan amount and interest rate. Finance costs of € 6.4 million during 2018 were impacted by the accelerated unwinding of the previously capitalised transaction expenses of € 1.3 million as a result of the early repayment of the long-term interest-bearing liability of € 30.5 million to Ares during 2018, and by administrative fees of € 0.6 million linked to the same repayment.

23 AMOUNTS COMMITTED ON ACQUISITION

	2019 €	2018 €
Opening balance	**7,084,775**	1,918,000
Acquisitions during the year	**3,675,660**	13,516,502
Settlements/setoffs	**(5,127,076)**	(7,315,187)
Notional interest charge	**545,018**	309,584
Adjustment arising as a result of a change in estimates on existing amounts committed on acquisition	**4,503,222**	(1,344,124)
Closing balance	**10,681,599**	7,084,775

Amounts committed on acquisitions consist of contractual obligations resulting from acquisitions of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments of performance-based amounts. The latter are further referred to as contingent consideration. This contingent consideration is measured at fair value and is included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently, at each reporting date, by calculating the expected cash outflow on each purchase agreement.

During the full year of 2019, the additional amount committed on acquisition relates to the acquisition of the assets of Casumba Media Ltd. The earn-out condition relating to Casumba is partly capped to a maximum of € 2.1 million until 31 December 2021, and part of the earnout is uncapped, based on future performance up until 31 July 2024. Management's best estimate of the total contingent consideration for these assets amounted to € 3.5 million as at 31 December 2019 and this amount has been recognised in the consolidated statement of financial position.

During the full year of 2018, the additional amounts committed on acquisitions relates to the acquisition of the assets of Mediaclever Sverige AB and the acquisition of the affiliate sites of Casinofeber. The earn-out conditions relating to the casino affiliate sites of Casinofeber were amended as at 17 September 2018 and the earn-out period was prolonged to 2023. In April 2019 the earn-out was revised upwards with an amount of € 1.7 million and in December 2019 with an additional € 2.9 million, due to improved performance of the acquired assets. The contingent consideration related to Casinofeber is uncapped. Management's best estimate of the total contingent consideration for these assets amounted to € 7.0 (€ 7.1 million) as at 31 December 2019 and has been recognised in the consolidated statement of financial position.

The adjustment to reflect the total impact of discounting in the consolidated statement of financial position, amounted to € 0.5 million (€ 1.1 million) for 2019. Of the amounts recognised in the consolidated statement of financial position as per 31 December 2019, € 5.2 million is considered to fall due for payment within less than 12 months from the end of the reporting period.

24 TRADE AND OTHER PAYABLES

	2019 €	2018 €
Current		
Trade payables	**122,021**	228,568
Amounts owed to other related parties	**8,575**	2,290,289
Indirect taxes	**167,654**	158,618
Other payables	**231,828**	106,665
Accruals and deferred income	**1,143,075**	788,980
	1,673,153	3,573,120

Included within trade and other payables as at 31 December 2018 were amounts due to two related parties amounting to € 2.3 million which mature without interest, have no fixed repayment date and fall due for repayment on demand. During Q1 2019, an agreement with one of the related parties was reached, to waive the amount of € 2,281,714. The amount has been recognised as other non-operating income in the consolidated statement of comprehensive income.

Amounts owed to other related parties are unsecured, interest free and repayable on demand.

25 RELATED PARTY TRANSACTIONS

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties.

The following transactions were carried out with these related parties during the respective years:

	2019 €	2018 €
Revenue	**1,614,863**	1,361,127
Expenses		
Compensation to Directors	**417,360**	625,600
Compensation to Executive management	**1,453,131**	941,413
Other related party transactions	**522,905**	269,911
Amounts owed to related parties	**108,877**	2,289,781
Amounts owed by related parties	**170,769**	-

The increase in compensation to Executive Management from € 941,413 to € 1,453,131 between the years is due to the one off termination benefits paid to the outgoing CEO.

The other related party transactions are primarily related to Raketech's white label casino Rapdi.com, for 2019, and other expenses.

During Q1 2019, an agreement with a related party was reached, to waive the amount of € 2,281,714. The amount has been recognised as other non-operating income in the consolidated statement of comprehensive income.

During Q2 2018 related party liabilities of € 2,000,000 were partly converted to equity and part waived, the latter resulting in a capital contribution (note 20).

26 PARTICIPATION IN GROUP COMPANIES

The Group had the following subsidiaries at 31 December 2019 and 2018:

Subsidiaries	Registered office	Class of shares held	"Percentage of shares held directly by the parent" 2019	2018	"Percentage of shares held by the Group" 2019	2018
Raketech Group Limited	6, Paceville Avenue, St. Julians STJ 3109, Malta	Ordinary shares	**100.00%**	100.00%	**100.00%**	100.00%
Gamina Limited	6, Paceville Avenue, St. Julians STJ 3109, Malta	Ordinary shares	**-**	-	**50.08%**	50.08%
Tv Sports Guide Limited	6, Paceville Avenue, St. Julians STJ 3109, Malta	Ordinary shares	**-**	-	**100.00%**	50.08%
Shogun Media Limited	6, Paceville Avenue, St. Julians STJ 3109, Malta	Ordinary shares	**-**	-	**51.00%**	51.00%
Casumba Media Limited	6, Paceville Avenue, St. Julians STJ 3109, Malta	Ordinary shares	**-**	-	**100.00%**	-

All the above subsidiaries operate within the iGaming sector and are included in the consolidation. The proportion of voting rights in the subsidiary undertakings held directly by the Group do not differ from the proportion of ordinary shares held.

27 BUSINESS COMBINATION

In 2019, there were no acquisitions that were determined to give rise to a business combination.

On 6 June 2018, the Group entered into a share transfer agreement with Upside Media Ltd (the "Sellers"), an unrelated party, to acquire 51% of Shogun Media Limited's shares. Shogun Media Limited specialises in marketing and referring visitors to other websites. The acquisition complements the Group's existing strategy for paid media. The Group gained control and consolidated the acquired operations as from 6 June 2018. The total purchase consideration for 51% of the shares amounted to € 731,817. No revenue was generated in Shogun Media Limited prior to the acquisition as the legal entity was established in connection with the acquisition.

Purchase Consideration	On acquisition €
Cash paid	731,817

The assets and liabilities recognised as a result of the acquisition are as follows:

Purchase Consideration	Fair value €
Receivables	611
Domains and websites (Note 14)	217,346
Player databases (Note 14)	6,769
Other intellectual property (Note 14)	162,732
Fair value net identifiable assets acquired	**387,458**
Goodwill	344,359
Net assets acquired	**731,817**

The goodwill was predominantly attributable to future revenue synergies, which were based on the opportunity to reach new players through access to the know-how and human capital. The impairment test performed as of 31 December 2019, as stated in note 14, showed that the recoverable amount of the Shogun related goodwill is less than the value in use and its fair value less costs to sell, which explains why the goodwill is now fully impaired. This after a decision taken by the Board of Directors against the background of the uncertainty as to when Google's paid media channel will open-up to advertisers.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Shogun Media Limited, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The acquired business contributed losses of €155,925 and revenue of €98,676 for the Group for the period from 6 June to 31 December 2018.

28 CASH FLOW INFORMATION

Significant non-cash transactions

The Group has acquired a number of assets throughout the current and the comparative period. Note 20 includes details of any acquisitions and related party liabilities for which it was agreed that settlement would not be paid in cash.

Net debt reconciliation

Movements in the Group's liabilities arising from financing activities, comprising third party loans (note 22), are set out below:

	2019 €	2018 €
At 1 January	**7,879,877**	28,076,672
Proceeds from drawdowns and new issues, net of transaction costs	**3,298,838**	8,183,000
Amortisation of transaction costs	**55,540**	2,120,205
Repayment	**(7,879,877)**	(30,500,000)
At 31 December	**3,354,378**	7,879,877

29 COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures disclosed in the main components of these consolidated financial statements (including the notes to the financial statements) have been reclassified to conform with the current year's presentation for the purpose of fairer presentation.

30 EVENTS AFTER THE REPORTING PERIOD

Lead Republik Ltd

Raketech announced on March 11, 2020 that it acquired all assets of Lead Republik Ltd, a Maltese registered media company with global revenues, however predominantly from Canada, New Zealand and Germany. As a result of the acquisition, Raketech's revenues outside the Nordics are expected to reach approximately 20 percent of the Group's total revenues. Raketech has acquired the assets, including all employees, of Lead Republik Ltd as of 11 March 2020 for an upfront payment of € 1.4 million, with the possibility of additional earnout payments based on certain performance measures. Part of the earnout is capped up to a maximum of € 0.3 million until 28 February 2021, and part of the earnout is uncapped, based on future performance up until 28 February 2022. The acquired operation will be an integrated part of Raketech Group Limited as of 11 March 2020. The acquisition was settled using the Group's internally generated cash. Management are in the process of determining whether this represents a business or asset acquisition.

Covid-19 and potential impact on financial and operational performance

On March 27, 2020 Raketech published information about the potential impact of Covid-19. Raketech does not anticipate substantial negative effects on the iGaming industry in the long term, even though sports betting revenues will most likely be affected negatively during 2020 due to the many cancelled sports events. At the same time, it is worth mentioning the fact that when access to most gambling shop is limited and when people in general spend more time in isolation, gambling revenues are to some extent directed towards digital gambling and in particular casino. Raketech has approximately 70% revenues derived from Casino, 25% from Sports and 5% from Other. Exactly how the combination of the reduced sports betting revenues for the industry and the increased interest for digital casino will affect Raketech during 2020 is, at this stage, too early to predict with certainty. Q1 2020 is so far delivering revenues in line with expectations with January and February revenues amounting to approximately € 4.0 million in total. During March, Raketech expects to deliver revenues in line with the two previous months, excluding revenues from the newly acquired Lead Republik Ltd.

Raketech does not anticipate any significant Covid-19 related challenges with respect to its ability to continue generating sufficient cash to meet its obligations (primarily amounts committed on acquisition as disclosed in Note 23 and trade and other payables as disclosed in Note 24) as and when they become due over the next twelve months. In addition to this, as disclosed in Note 22, the Group also has an unutilised revolving credit facility of €6.5m which it can call on should the need arise.

Raketech has, since a few weeks back, allowed its employees to work from home, banned all business travel and required staff that has been traveling for private matters to self-quarantine for a minimum of 14 days. From an internal perspective, Raketech has so far been able to maintain the operational efficiency thanks to these actions and its modern tech infrastructure and distributed work methodology that allows for this type of set up.

Raketech considers the spread of Covid-19 to be a non-adjusting post balance sheet event which means that the recoverable amount of intangible assets, including considerations of indicators of impairment, was based on economic conditions, including equity market levels, that existed at 31 December 2019. Similarly, credit risk assessment and loss allowance assessments according to IFRS9 related to outstanding trade receivables was determined as at 31 December 2019. Such assessments did therefore not include any potential future impact of the effect Covid-19. The assessment of impairment of intangible assets and loss allowance for trade receivables are considered as critical accounting estimates (Note 3). Note 14 provides further detail on the impairment of assessment for intangible assets.

Parent Company

Statement of comprehensive income - Parent Company

		Year ended 31 December	
		2019	2018
	Notes	€	€
Revenue	3	**-**	**2,981,918**
Employee benefit expense	4	(859,845)	(330,519)
IPO related costs		-	(90,146)
Other operating expense	6	(16,046)	(111,761)
Realised gain on exchange		407	179,708
Total operating expenses		**(875,484)**	**(352,718)**
Operating loss/(profit)		**(875,484)**	**2,629,200**
Finance costs	7	(226,889)	-
Loss/(profit) before tax		**(1,102,373)**	**2,629,200**
Tax expense	8	-	(802,824)
Loss/(profit) for the year - total comprehensive income		**(1,102,373)**	**1,826,376**

The notes on pages 78-81 are an integral part of these financial statements.

Statement of financial position - Parent Company

		Year ended 31 December	
		2019	2018
	Notes	€	€
ASSETS			
Non-current assets			
Investment in subsidiaries	9	3,152,493	3,152,493
Total non-current assets		**3,152,493**	**3,152,493**
Current assets			
Trade and other receivables	10	42,007,413	39,575,503
Cash and cash equivalents	11	188,820	979,959
Total current assets		**42,196,233**	**40,555,462**
Total assets		**45,348,726**	**43,707,955**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	75,801	75,801
Share premium	12	41,602,762	41,602,762
Other reserves	12	(520,134)	120,410
Retained earnings		724,003	1,826,376
Total equity		**41,882,432**	**43,625,349**
LIABILITIES			
Non-current liabilities			
Borrowings	13	3,354,378	-
Total non-current liabilities		**3,354,378**	**-**
Current liabilities			
Trade and other payables	14	111,916	82,606
Total current liabilities		**111,916**	**82,606**
Total liabilities		**3,466,294**	**82,606**
Total equity and liabilities		**45,348,726**	**43,707,955**

The notes on pages 78-81 are an integral part of these financial statements.
The financial statement on pages 74-81 were authorised for issue by the Board on 8 April 2020 and were signed on its behalf by:

Johan Svensson
Director

Erik Skarp
Director

Statement of changes in equity - Parent Company

	Share Capital €	Share Premium €	Other Reserves €	Retained Earnings €	Total €
Balance at 1 January 2019	75,801	41,602,762	120,410	1,826,376	43,625,349
Comprehensive income					
Loss for the year				(1,102,373)	(1,102,373)
Transactions with owners					
Equity-settled share-based payments	-	-	189,420	-	189,420
Acquisition of treasury shares	-	-	(829,964)	-	(829,964)
Total transactions with owners	**-**	**-**	**(640,544)**	**-**	**(640,544)**
Balance at 31 December 2019	**75,801**	**41,602,762**	**(520,134)**	**724,003**	**41,882,432**
Balance at 1 January 2018	1,770	999,980	1,000,000	-	2,001,750
Comprehensive income					
Profit for the year				1,826,376	1,826,376
Transactions with owners					
Issue of share capital (Net of transaction costs)	74,031	40,602,782	(1,000,000)	-	39,676,813
Equity-settled share-based payments	-	-	120,410	-	120,410
Total transactions with owners	**74,031**	**40,602,782**	**(879,590)**	**-**	**39,797,223**
Balance at 31 December 2018	**75,801**	**41,602,762**	**120,410**	**1,826,376**	**43,625,349**

The notes on pages 78-81 are an integral part of these financial statements.

Statement of cash flows - Parent Company

		Year ended 31 December	
		2019	2018
	Note	€	€
Cash flows from operating activities			
Loss/(profit) before tax		(1,102,373)	2,629,200
Adjustments for:			
Net finance costs		226,889	-
Equity-settled share based payment transactions		189,420	120,410
Non-cash transaction		-	(2,150,803)
		(686,064)	**598,807**
Changes in:			
Trade and other receivables		(2,431,910)	(40,362,317)
Trade and other payables		29,310	26,024
Net cash used in operating activities		**(3,088,664)**	**(39,737,486)**
Cash flows from financing activities			
Proceeds from drawdowns on borrowings		3,298,838	-
Proceeds from issue of share capital, net of transaction costs		-	40,676,813
Acquisition of treasury shares		(829,964)	-
Interest paid		(171,349)	-
Net cash generated from financing activities		**2,297,525**	**40,676,813**
Net movements in cash and cash equivalents		(791,139)	939,327
Cash and cash equivalents at the beginning of the year		979,959	40,632
Cash and cash equivalents at the end of the year	*11*	**188,820**	**979,959**

The notes on pages 78-81 are an integral part of these financial statements.

Notes to the Parent Company Financial Statements

1 ACCOUNTING POLICY

Reference is made to note 2 to the consolidated financial statements and the difference in accounting policies between the Group and the Parent Company is stated below.

1.1 Revenue recogninition

The revenue of the Company mainly arises for the dividend earned for its subsidiary. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue comprises the fair value of the consideration received or receivable from transactions in the ordinary course of the Company's activities.

1.1.1 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.2 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of the investment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation where applicable, if no impairment loss had previously been recognised.

1.3 Financial assets

The Company applies the policies for financial assets in line with the Group, with the addition of intercompany balances. Reference is made to note 2.12 in the consolidated financial statements.

2 FINANCIAL RISK MANAGEMENT

The Company's activities potentially expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and cash flow and fair value interest rate risk). The management of the Company's financial risk is based on a financial policy approved by the directors and exposes the Company to a low level of risk. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding period.

2.1 *Credit risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. It mainly arises on trade and other receivables and on cash and cash equivalents. The Company exposure to credit risk at the end of the reporting period is analysed as follows:

	2019	2018
	€	€
Cash and cash equivalents (note 11)	**188,820**	979,959
Amounts due from subsidiary (note 10)	**42,007,413**	39,575,503
	42,196,233	40,555,462

The Company's maximum exposure to credit risk is the carrying amount set out in the above table.

As at 31 December 2019 and 2018, the Company's cash at bank was held with leading European financial institutions which have a credit rating of BBB- or better as assessed by the international rating agency Standard and Poor's.

The Company's receivable from related parties comprises a receivable from the subsidiary. The 12 month expected credit loss is deemed by management to be immaterial as the recovery strategies indicate that the outstanding balance will be fully recovered.

2.2 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities which comprise trade and other payables.

The approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. This risk management process includes the regular forecasting of cash flows by the Company's management.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. Balances in the table below represent the carrying value as the impact of discounting is not significant.

	Carrying amount	**On demand**	**Less than 1 year**	**Between 2 and 3 years**
	€	€	€	€
At 31 December 2019				
Borrowings (note 13)	3,354,378	-	3,086	3,351,292
Amounts payables to related parties (note 14)	8,575	8,575	-	-
Other trade and other payables (note 14)	23,420	-	23,420	-
	3,386,373	8,575	26,506	3,351,292

	Carrying amount	**On demand**	**Less than 1 year**	**Between 2 and 3 years**
	€	€	€	€
At 31 December 2018				
Amounts payables to related parties (note 14)	8,575	8,575	-	-
Other trade and other payables (note 14)	60,227	-	60,227	-
	68,802	8,575	60,227	-

The directors consider liquidity risk on the other financial liabilities to be insignificant.

2.3 *Market risk*

2.3.1 Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the company's functional currency. The Company's financial assets and financial liabilities are mainly denominated in euro. Accordingly, the directors of Raketech Group Holding PLC do not consider the Company to be significantly exposed to foreign exchange risk, and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

2.3.2 Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on fair values of financial assets and liabilities and future cash flows. The Company's exposure to cash flow interest rate risk is a combination of cash balances and borrowings which at year end results in a relatively low net balance on which the impact of a shift in interest is immaterial.

The Company is not exposed to fair value interest rate risk.

2.4 *Capital risk management*

The Company's objectives when managing capital are to safeguard the Company's and the Raketech Group's ability to continue as a going concern whilst maximising the return to shareholders through the optimisation of debt and equity balances. Strategies are expected to remain unchanged in the foreseeable future.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

The Company's equity, as disclosed in the separate statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

2.5 *Fair values of financial instruments*

At 31 December 2019 the carrying amounts of cash at bank, receivables, payables, borrowings and accrued expenses reflected in the separate financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3 REVENUE

The Company's principal activity is to act as a holding company reason why the main revenue consists of dividend from subsidiaries.

The Company's revenue comprises the following:

	2019 €	2018 €
Other income	**-**	688,135
Dividend	**-**	2,293,783
	-	2,981,918

4 EMPLOYEE BENEFIT EXPENSE

The Company's employee benefit expense comprises the following:

	2019 €	2018 €
Wages and salaries	**854,860**	327,232
Social security costs	**4,985**	3,287
	859,845	330,519

The increase in wages and salaries from € 327,232 to € 854,860 between the years is due to the one off termination benefits paid to the outgoing CEO.

The average number of persons employed during the year:

	2019	2018
Management	**2**	2
	2	2

5 SHARE-BASED PAYMENT PLANS

Reference is made to the disclosures in note 9 of the consolidated financial statements.

6 OTHER OPERATING EXPENSE

The Company's other operating expenses comprise the following:

	2019 €	2018 €
Rent	**-**	29,232
Professional fees	**16,046**	82,529
	16,046	111,761

Auditors fee

Fees (exclusive of VAT) charged by the auditor for services rendered during the financial years ended 31 December 2019 and 2018 relate to the following:

	2019 €	2018 €
Annual statutory audit	**7,727**	24,516
Other non-audit services	**15,635**	17,800
Tax advisory and compliance services	**1,416**	-
	24,778	42,316

7 FINANCE COST

Finance cost for the years ended 31 December 2019 and 2018 comprises the following:

	2019 €	2018 €
Interest cost and similar expenses	**226,889**	-

8 TAX EXPENSE

The tax charge for the years ended 31 December 2019 and 2018 comprises the following:

	2019 €	2018 €
Current tax expense	**-**	802,824
	-	802,824

The tax on the Company's results before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2019 €	2018 €
(Loss)/profit before tax	**(1,102,374)**	2,629,200
Tax on (loss)/profit at 35%	**(385,831)**	920,220
Tax effect of:		
Income not subject to tax	**-**	(240,847)
Expenses not deductible for tax purposes	**385,831**	115,682
Other differences	**-**	7,769
Tax expense	**-**	**802,824**

9 INVESTMENT IN SUBSIDIARIES

	2019 €	2018 €
At beginning of year	**3,152,493**	2,001,691
Additions	**-**	1,150,802
Cost and carrying value at end of year	**3,152,493**	3,152,493

The subsidiaries in which an investment is held at 31 December 2019 and 2018 are shown below:

Subsidiary	Registered office	Class of shares held	Percentage of shares held	
			2019	**2018**
Raketech Group Limited	6, Paceville Avenue, St Julians STJ 3109, Malta	Ordinary shares	**100%**	100%

The Company's addition during the year to 31 December 2018 include 5,009 new shares in Raketech Group Holding PLC which were issued all having a nominal value of € 0.27 per share. 1,707 of these shares were issued at a share premium of € 601.47 per share, 84 of these shares were issued at a share premium of € 620.00 per share and the remaining 3,218 of these shares were issued at a share premium of € 332.71 per share.

The Company and its subsidiary entered into an agreement with a third party during the fiscal year ended 31 December 2017, through which the Company contractually agreed that an amount of € 1,000,000 (denominated in SEK) would be settled through the transfer of shares in Raketech Group Holding PLC. The amount of shares to be delivered to the sellers was established in the contract, which was equivalent to € 1,000,000 divided by the value per share as determined on the acquisition date. These shares were delivered on 28 April 2018.

Investments in subsidiaries has been assessed for impairment in 2019 and 2018. The assessment did not lead to any impairment in either 2019 or 2018.

10 TRADE AND OTHER RECEIVABLES

	2019 €	2018 €
Amounts due from a subsidiary	**42,007,413**	39,575,503
	42,007,413	39,575,503

The amount due from subsidiary is unsecured, interest free and repayable on demand.

11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks. For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2019 €	2018 €
Cash at bank	**188,820**	979,959
	188,820	979,959

12 SHARE CAPITAL AND OTHER RESERVES

Reference is made to the disclosures in notes 19 and 20 of the consolidated financial statements.

13 BORROWINGS

In December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of € 10 million at a 3.75% rate of interest. As at 31 December 2019, the utilised credit amounts to € 3.5 million before the capitalised transaction costs of € 0.2 million.

14 TRADE AND OTHER PAYABLES

	2019 €	2018 €
Current		
Amounts owed to other related parties	**8,575**	8,575
Indirect taxes	**79,921**	13,804
Other payables	**7,420**	7,227
Accruals and deferred income	**16,000**	53,000
	111,916	82,606

15 RELATED PARTY TRANSACTIONS

	2019 €	2018 €
Revenue (note 3)	**-**	2,981,918
	-	2,981,918
Amounts owed to related parties	**8,575**	8,575
Amounts owed by related parties	**42,007,413**	39,575,503

In addition to the above, personnel costs that are incurred by the Company and that are not recharged to group companies are also treated as related party transactions. Year-end balances with related parties are disclosed in Notes 10 and 14.

16 COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures disclosed is the main components of these separate financial statements have been reclassified to conform with the current year's disclosure format presentation for the purpose of fairer presentation.

17 SUBSEQUENT EVENTS

Refer to the Covid-19 and potential impact on financial and operational performance disclosure as included in note 30 in the consolidated financial statements.

Independent auditor's report

To the Shareholders of Raketech Group Holding PLC

Report on the audit of the financial statements

Our opinion

In our opinion:

- Raketech Group Holding PLC's Group and Parent Company financial statements (the "financial statements") give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2019, and of the Group and the Parent Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Raketech Group Holding PLC's financial statements, set out on pages 47 to 81, comprise:

- the Consolidated statement of comprehensive income for the financial year ended 31 December 2019;
- the Consolidated statement of financial position as at 31 December 2019;
- the Consolidated statement of changes in equity for the financial year then ended;
- the Consolidated statement of cash flows for the financial year then ended;
- the notes to the Consolidated financial statements, which include a summary of significant accounting policies;
- the Parent Company statement of comprehensive income for the financial year ended 31 December 2019;
- the Parent Company statement of financial position as at 31 December 2019;
- the Parent Company statement of changes in equity for the financial year then ended;
- the Parent Company statement of cash flows for the financial year then ended; and
- the notes to the Parent Company's financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report - continued

To the Shareholders of Raketech Group Holding PLC

Independence

We are independent of the Group and the Parent Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

Other information

The directors are responsible for the other information. The other information comprises the content included on pages 4 to 46 and on 87 to 88 which includes among others the CEO foreword and the Corporate Governance Report, as well as the Directors' Report and the Definitions and Information to Shareholders sections (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Independent auditor's report - continued

To the Shareholders of Raketech Group Holding PLC

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditor's report - continued

To the Shareholders of Raketech Group Holding PLC

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group or Parent Company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the company's trade, customers, suppliers and the disruption to its business and the overall economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Other matters on which we are required to report by exception

We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers
78, Mill Street
Qormi
Malta

Romina Soler
Partner

8 April 2020

Definitions

ADJUSTED EBITDA	EBITDA adjusted for IPO expenses and other non-operational income.
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of total revenue.
ADJUSTED OPERATING MARGIN	Operating margin adjusted for IPO expenses and other non-operational income.
ADJUSTED OPERATING PROFIT	Operating profit adjusted for IPO expenses and other non-operational income.
AFFILIATE	A company providing a performance-based marketing service for its customers, in this context the customers are operators.
CONTENT SITE	A website containing information primarily generated by journalists, writers and other professional contributors. Content sites present in-depth information on specific iGaming areas.
EBITDA	Operating profit before depreciation, amortisation and impairment.
EBITDA MARGIN	EBITDA as a percentage of revenue.
NEW DEPOSITING CUSTOMER (NDC)	A new customer placing a first deposit on a partner's website.
OPERATING PROFIT	Profit before financial items and taxes.
OPERATING MARGIN	Operating profit as a percentage of revenue.
ORGANIC GROWTH	Revenue growth rate adjusted for acquired portfolios and products. Organic growth includes the growth in existing products and the revenue growth related to acquired portfolios and products post acquisition.
PAY-PER-CLICK (PPC)	An internet advertising model used to direct traffic to websites whereby advertisers pay to appear in the search engine results for certain search queries.
REVENUE GROWTH	Increase in revenue compared to the previous accounting period as a percentage of revenue in the previous accounting period.
SEARCH ENGINE OPTIMISATION (SEO)	The methods and techniques used to optimise the online visibility of a website through improved rankings in a web search engine's results.
TRAFFIC	Relates to the number of visitors/users of Raketech's assets.

Information to shareholders

ANNUAL GENERAL MEETING

The Annual General Meeting of Raketech Group Holding PLC will be held on May 15, 2020 at 10.30 a.m. CET at the premises of Advokatfirman Vinge, Stureplan 8, Stockholm Sweden. The notification was made through an advertisement placed in the Swedish national daily business-paper Dagens Industri as well as through a press release and the Company's web page.

The notice and other information in preparation for the Annual General Meeting are available at *www.raketech.com.*

FINANCIAL INFORMATION 2020

13 MAY	15 MAY	19 AUGUST	11 NOVEMBER
INTERIM REPORT JANUARY-MARCH	ANNUAL GENERAL MEETING	INTERIM REPORT APRIL-JUNE	INTERIM REPORT JULY-SEPTEMBER

Additional information

Måns Svalborn, CFO

Andreas Kovacs, Head of Investor Relations

E-mail: *investor@raketech.com*

This Annual Report can be ordered in printed format via investor@raketech.com or downloaded as a pdf via *www.raketech.com*.

Photo: ***Majda Toumi*** and ***Lena Larsson***.


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