RAKETECH

Q2 2019 INTERIM REPORT

www.raketech.com

INTERIM REPORT JAN – JUN 2019

SECOND QUARTER 2019

- Total revenues amounted to EUR 5.7 million (EUR 6.0 million) representing a decrease of 6.1%.
- Organic growth amounted to – 8.8% (24.5%).
- Adjusted EBITDA decreased by 10.7% to EUR 2.9 million (EUR 3.2 million), corresponding to a margin of 51.1% (53.7%).
- Adjusted operating profit amounted to EUR 2.0 million (EUR 2.9 million), corresponding to a margin of 35.1% (48.3%).
- Profit for the period increased by EUR 1.5 million from EUR 0.2 million to EUR 1.7 million.
- Earnings per share before dilution amounted to EUR 0.04 (EUR 0.01) representing an increase by 400.0%.
- NDCs (New Depositing Customers) increased by 21.7% to 24,974 (20,519).

FIRST SIX MONTHS OF 2019

- Total revenues amounted to EUR 14.4 million (EUR 10.9 million) representing an increase of 31.7%. Total revenues include other non-operating income of EUR 2.3 million (nil) related to a waived liability regarding one related party during the first quarter which is recognised as other income.
- Revenues excluding other income increased by 10.8% to EUR 12.1 million (EUR 10.9 million).
- Organic growth amounted to 5.1% (18.1%).
- Adjusted EBITDA increased by 10.8% to EUR 6.4 million (EUR 5.8 million), corresponding to a margin of 52.7% (52.7%).
- Adjusted operating profit amounted to EUR 4.8 million (EUR 5.2 million), corresponding to a margin of 39.5% (48.0%).
- Profit for the period amounted to EUR 6.4 million (EUR 1.1 million) representing an increase by 485.9%.
- Earnings per share before dilution amounted to EUR 0.17 (EUR 0.04) representing an increase by 325.0%.
- NDCs (New Depositing Customers) increased by 45.8% to 53,582 (36,762).

EVENTS DURING SECOND QUARTER 2019

- On 24 April, Oskar Mühlbach was appointed as Chief Operating Officer.
- On 26 April, Raketech acquired the assets of leading Finnish sport listing website TVmatsit.com for an initial purchase price of EUR 1.6 million plus an additional EUR 0.3 million payment over the next 24 months based on agreed performance targets.
- During June 2019 Raketech has repurchased in total 379,000 own shares. The share repurchases have been carried out within the buy-back programme authorised at the annual general meeting held 8 May 2019.
- The new consumer-facing online casino product Rapidi.com was launched in the second quarter of 2019. The new casino site will cater to players looking for a fast, secure and user-friendly online casino experience, while providing Raketech with valuable data insight.
- CasinoFever.ca, a new online casino comparison website tailored for the Canadian market was launched. CasinoFever.ca will provide users in Canada with a comprehensive guide to the online casino world, offering reliable product, operator and bonus reviews, as well as useful tips and news related to the online casino world.

SUBSEQUENT EVENTS AFTER THE END OF THE SECOND QUARTER

- No subsequent events after the second quarter.

CONSOLIDATED KEY DATA AND RATIOS

Some financial measures presented in this interim report, including key data and ratios are not defined by International Financial Reporting Standards (IFRS). These measures will not necessarily be comparable to similarly titled measures in the reports of other companies, further descriptions can be found on page 18 of this report. These non-IFRS measures may provide valuable additional information to investors and management although they should not be considered as substitutes to financial reporting measures prepared in accordance with IFRS.

Financial Data							
EUR thousands	**Apr-Jun 2019**	**Apr-Jun 2018**	**Change**	**Jan-Jun 2019**	**Jan-Jun 2018**	**Change**	**Jan-Dec 2018**
Revenue (IFRS)	**5,656**	6,026	(6.1%)	**12,107**	10,927	10.8%	25,556
Total revenue [1]	**5,656**	6,026	(6.1%)	**14,389**	10,927	31.7%	25,556
Organic growth	**(8.8%)**	24.5%	(33.3)	**5.1%**	18.1%	(13.0)	29.9%
Revenue share	**2,572**	*2,518*	*2.1%*	**5,116**	*4,817*	*6.2%*	*11,043*
Upfront payment	**1,962**	*2,476*	*(20.8%)*	**4,781**	*4,412*	*8.4%*	*10,974*
Fixed fee	**1,122**	*1,032*	*8.7%*	**2,210**	*1,698*	*30.2%*	*3,539*
Casino of total revenue	**67.2%**	*76.2%*	*(9.0)*	**69.9%**	*74.0%*	*(4.1)*	*74.0%*
Sport of total revenue	**28.0%**	*21.4%*	*6.6*	**26.3%**	*23.5%*	*2.8*	*23.0%*
Other of total revenue	**4.8%**	*2.4%*	*2.4*	**3.8%**	*2.5%*	*1.3*	*3.0%*
Revenue from the Nordics	**96.8%**	*95.5%*	*1.3*	**95.8%**	*95.4%*	*0.4*	*95.7%*
Revenue from other markets	**3.2%**	*4.5%*	*(1.3)*	**4.2%**	*4.6%*	*(0.4)*	*4.3%*
EBITDA	**2,891**	1,860	55.4%	**8,663**	4,257	103.5%	12,895
EBITDA margin	**51.1%**	30.9%	20.2	**71.6%**	39.0%	32.6	50.5%
Adjusted EBITDA[2]	**2,891**	3,236	(10.7%)	**6,381**	5,760	10.8%	14,398
Adjusted EBITDA margin	**51.1%**	53.7%	(2.6)	**52.7%**	52.7%	0.0	56.3%
Operating profit	**1,984**	1,534	29.3%	**7,066**	3,738	89.0%	11,194
Operating margin	**35.1%**	25.5%	9.6	**58.4%**	34.2%	24.2	43.8%
Adjusted Operating profit[2]	**1,984**	2,910	(31.8%)	**4,784**	5,241	(8.7%)	12,697
Adjusted Operating margin	**35.1%**	48.3%	(13.2)	**39.5%**	48.0%	(8.5)	49.7%

Other Performance Measures							
New depositing customers (NDC)	**24,974**	20,519	21.7%	**53,582**	36,762	45.8%	99,599
Full time employees and equivalents	**90**	100	(10.0%)	**90**	100	(10.0%)	85
Revenue/Full time employees and equivalents (in tEUR)	**63**	60	5.0%	**135**	109	23.9%	300
Mobile vs total traffic (visitors)	**63.1%**	67.0%	(3.9)	**61.4%**	65.1%	(3.7)	60.4%
Net interest-bearing debt	**(569)**	33,065	(101.7%)	**(569)**	33,065	(101.7%)	354
Net debt-to-adjusted EBITDA LTM	**(0.04)**	3.11	(101.3%)	**(0.04)**	3.11	(101.3%)	0.02
Return on equity, LTM	**15.6%**	6.3%	9.3	**15.6%**	6.3%	9.3	7.8%
Equity per share before dilution (in EUR)[3]	**1.7**	2.2	(22.7%)	**1.7**	2.2	(22.7%)	1.88
Equity per share after dilution (in EUR)[3]	**1.7**	2.2	(22.7%)	**1.7**	2.2	(22.7%)	1.86
Earnings per share before dilution (IFRS) (in EUR)[3]	**0.04**	0.01	400.0%	**0.17**	0.04	325.0%	0.15
Earnings per share after dilution (IFRS) (in EUR)[3]	**0.04**	0.01	400.0%	**0.17**	0.04	325.0%	0.15
Weighted average number of shares, before dilution[3]	**37,900,633**	24,659,705	53.7%	**37,900,633**	24,277,518	56.1%	31,145,061
Weighted average number of shares, after dilution[3]	**38,391,750**	25,107,647	52.9%	**38,391,750**	24,502,727	56.7%	31,504,317

1. *Includes other income of EUR 2.3 million (nil) in relation to a related party liability waived in the first quarter of 2019.*
2. *Adjustments relate to IPO-costs and other non-operational income.*
3. *On 18 May 2018 at the Annual General Meeting, it was resolved to split the EUR 0.27 shares into shares of EUR 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.*

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CEO COMMENTS

The second quarter has been characterized by high activity with well-performing products and high levels of traffic sent to gaming operators. I am particularly pleased that we have delivered high profitability and a strong operational cash flow, which proves the scalability of our business model and our ability to navigate and adapt Raketech's business to the current conditions.

RESULTS

Revenues amounted to EUR 5.7 million during the second quarter, which is 6 percent lower than the corresponding quarter in 2018. For the period January-June, revenues amounted to EUR 12.1 million, corresponding to an increase of 11 percent compared to the first six months of the previous year.

The development during the second quarter is due to lower player values in the Swedish market, but also a temporary shift in revenue streams due to a larger proportion of Revenue share[1] and a lower proportion of Cost per Acquisition (CPA)[2] compared to last quarter. The second quarter of 2018 is also a tough comparison quarter, considering it was driven by external factors such as the FIFA World Cup and many newly started Pay N Play[3] casinos. Our products are continuing to develop well, and we continue to deliver high traffic levels to our partners, which is reflected in an NDC increase of 22 percent compared to the second quarter of 2018. Adjusted EBITDA amounted to EUR 2.9 million, with a margin of 51 percent.

A CAUTIOUS SWEDISH MARKET

The Swedish gaming market is still in a transition phase, and we can see that the overall market growth in Sweden has stalled. We generally have high traffic levels on our sites, but player values remain at the lower levels which we have noted since the beginning of the year. The operators continue to explore how to run their operations successfully in the long term and are also affected by the lack of a common practice in assessing parts of the new gambling legislation. It is likely to become clearer later this year as several appeals will be raised in high court. In the long term, we expect that Sweden will have fewer licensed operators than today, and that Raketech as a partner to the largest operators will potentially play a more important role in the market.

FOCUS ON GEOGRAPHICAL EXPANSION

2018 was the year that Raketech proved its business model and proved the strength of both product and partner collaborations in the Nordic region as well as focused on listing the company. 2019 is the year when we build the foundation for our international expansion, and we have high ambitions for the future. We are constantly looking for new ways to use our expertise and optimize existing products in order to scale our portfolio, as well as to expand to new markets. We are actively looking for acquisition opportunities, and as a debt-free company we are well-positioned to acquire assets that would strengthen our operations. We are selective, but we continuously meet with interesting acquisitions targets.

In the past quarter, we have taken concrete steps in Canada. Via Casinofever.ca, we have already converted our first users, and we are seeing a growing demand from our partners in the Canadian market. Regarding further expansions, we will prioritize markets that are important to our customers and look at Europe and Asia as well as North America.

SYNERGIES FROM ACQUISTIONS

During the second quarter, the acquisition of Finland's leading TV sports listing website Tvmatsit.com was carried out, and we can already see strong synergies with our other guide products. Tvmatsit.com is an excellent example of how our acquisition strategy successfully both expanded our product offering and created synergies within the organization by complementing existing operations. In this case, we replicated Tvmatsit's media buying strategy in other markets, and by doing so created additional revenue from existing products. Raketech currently has leading TV sports guides in six markets and the global Esportsguide.com product in its portfolio.

OUTLOOK

In 2019, no major sporting events in par with the 2018 FIFA World Cup will take place, and with half of the year now behind us we can see that player values remain at the lower levels we noted during the first quarter. However, based on the development so far in the third quarter, our assessment is that player values will not decrease any further. We focus on driving traffic to the larger well-established operators, with whom we have strong and successful relationships. Through our scalable business model, we continue to focus on profitability going forward, in combination with the before-mentioned geographical expansion and selective acquisition strategy. I look confidently towards our future and strongly believe in our long-term strategy.

MICHAEL HOLMBERG
CEO

[1] **Revenue share:**
Raketech sends players to the gaming operators and receives a share of the income these players generate for the gaming operator.

[2] **Cost per Acquisition (CPA):**
Raketech sends players to gaming operators and receives a fixed compensation for the players they send to the company.

[3] **Pay N Play:**
Technology that uses a person's online bank to fulfil operator identity check requirements and enables consumers to register, deposit and play faster than traditional sign-up methods.

FINANCIAL PERFORMANCE DURING THE SECOND QUARTER OF 2019

Strong underlying NDC growth of 21.7% despite lack of major sports events compared to last year.

REVENUES

Revenues totalled EUR 5.7 million (EUR 6.0 million) in the second quarter, a decrease of 6.1 % compared to the equivalent period in 2018. The revenue decline was driven by the continued stabilisation period on the Swedish market with lower life-time value per player.

EXPENSES

Direct expenses increased to EUR 0.6 million (EUR 0.4 million) due to increased investment in search engine optimisation (SEO), development and content related consultancy expenses in line with the management strategy to continue building on the Group's external network of experts.

Employee benefit expenses amounted to EUR 1.2 million (EUR 1.4 million). The decrease in employee benefit expenses was driven by the shift towards outsourced developers and content writers. Full-time employees decreased to 76 (90) and the number of dedicated staff with contracts (defined as full time employee equivalents) was 14 (10) at the end of the period.

Other expenses amounted to EUR 1.0 million (EUR 1.0 million) and remained identical to the equivalent period in 2018. The Group has successfully kept the total other expenses at the same level as last year despite now operating in a public environment with increased administrative costs.

Depreciation and amortisation amounted to EUR 0.9 million (EUR 0.3 million). The increased depreciation was primarily attributable to the depreciation of player databases and other intellectual property acquired in the second half of the year ending 31 December 2018.

PROFITABILITY

Adjusted EBITDA amounted to EUR 2.9 million (EUR 3.2 million), corresponding to a decrease of 10.7% compared to the same period last year driven by a lower revenue and slightly lower normalised cost base. The Adjusted EBITDA margin amounted to 51.1% (53.7%).

Profit for the period amounted to EUR 1.7 million (EUR 0.2 million) representing an increase of 842.5% driven by lower financial costs of EUR 0.2 million (EUR 1.3 million) and the IPO related costs of EUR 1.4 million in Q2 2018.

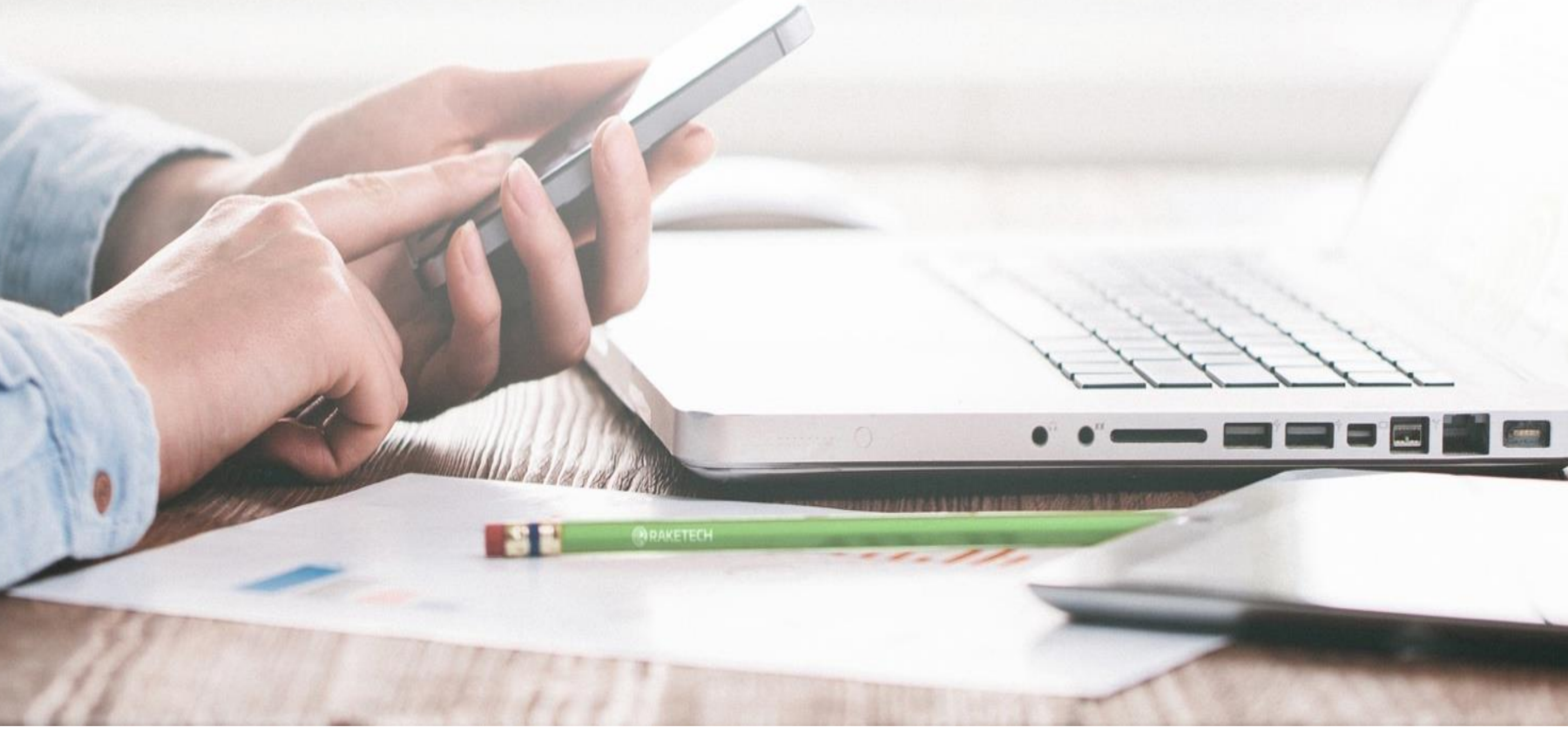
CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 3.1 million (EUR 3.3 million), driven by the positive effect from the changes in trade and other payables.

Cash flow from investing activities amounted to EUR -3.0 million (EUR -5.6 million) and relates to the acquisition of Tvmatsit completed on 26 April 2019 and to earn out payments during the quarter.

Cash flow from financing activities amounted to EUR -0.8 million (EUR -0.8 million) driven by the buy-back of the Group's own shares.

Cash and cash equivalents at the end of the quarter amounted to EUR 3.4 million (EUR 4.3 million).



FINANCIAL PERFORMANCE DURING THE FIRST HALF OF 2019

Revenue growth of 10.8 % in the first six months of 2019, compared with the same period last year, was primarily driven by a strong underlying NDC growth of 45.8%.

REVENUES

Revenues excluding other non-operational income totalled EUR 12.1 million (EUR 10.9 million) in the first six months, an increase of 10.8% compared to the equivalent period in 2018. Organic growth amounted to 5.1% (18.1%). Revenue growth was driven by a strong evolvement of NDC's throughout all verticals.

Other income of EUR 2.3 million (nil) relates to a related party liability, that was waived in the first quarter of 2019. Total revenue increased by 31.7% to EUR 14.4 million (EUR 10.9 million).

EXPENSES

Direct expenses increased to EUR 1.4 million (EUR 0.6 million) due to increased investment in SEO, development and content related consultancy expenses in line with the management strategy to continue building on the Group's external network of experts.

Employee benefit expenses amounted to EUR 2.2 million (EUR 2.6 million). The decrease in employee benefit expenses was driven by the shift towards outsourced developers and content writers. Full-time employees decreased to 76 (90) and the number of dedicated staff with contracts (defined as full time employee equivalents) equalled to 14 (10) at the end of the period.

Other expenses amounted to EUR 2.1 million (EUR 2.0 million) driven by investment in new products, such as TV sports guide products outside the Nordics. The Group now operating in a public environment has increased administrative expenses compared to the same period last year.

Depreciation and amortisation amounted to EUR 1.6 million (EUR 0.5 million). The increased depreciation was primarily attributable to the depreciation of player databases and other intellectual property acquired in the second half of the year ending 31 December 2018.

PROFITABILITY

Adjusted EBITDA amounted to EUR 6.4 million (EUR 5.8 million), corresponding to an increase of 10.8% compared to the same period last year. The Adjusted EBITDA margin amounted to 52.7% (52.7%).

Profit for the period amounted to EUR 6.4 million (EUR 1.1 million) and was positively impacted by other income of EUR 2.3 million. Profit for the period adjusted for non-operational other income amounted to EUR 4.1 million (EUR 1.1 million), corresponding an increase of 275.6% for the period.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 6.4 million (EUR 4.5 million), driven by the increased operational profit and the positive effect from the changes in trade and other payables.

Cash flow from investing activities amounted to EUR -4.5 million (EUR -8.9 million) and relates to earn out payments and the acquisition of Tvmatsit as at 26 April 2019.

Cash flow from financing activities amounted to EUR -6.0 million (EUR 5.6 million) mainly driven by the final settlement of EUR 7.7 million of the credit facility to Ares Management.

Cash and cash equivalents at the end of the first half of 2019 amounted to EUR 3.4 million (EUR 4.3 million).

OTHER

STOCK MARKET LISTING

On 29 June 2018, Raketech Group Holding P.L.C. was successfully listed on Nasdaq First North Premier with an increase of 13,333,333 shares, leading to an outstanding amount of 37,900,633 shares. On 5 June 2019 Raketech initiated a buyback program of own shares, please see further information in note 8. The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

SIGNIFICANT RISKS AND UNCERTAINTIES

One of the most significant risks faced by the Group is associated with acquisitions. As the different markets continue to mature, it could become more challenging to acquire new high-quality assets and the cost of acquisitions may increase as the market becomes more consolidated.

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 is not only monitoring any regulatory changes within the European market, but also the North and South American and Asian market. If any new regulatory regimes come into force, the Group will conform with such requirements by applying for the necessary licenses in the respective jurisdictions. The Group is primarily exposed to the Nordic region, and a significant amount of revenue is generated from Sweden. Reviews of gaming taxation laws have taken place in a number of EU jurisdictions, including Sweden, the top market for the Group. The directors are in favour of operating in regulated markets.

As the Group continues to embark on its significant growth strategy, the operational risks increase. Key personnel retention is considered to be a key risk, and the Group is doing its utmost to retain its existing personnel as well as recruiting highly talented individuals. This is being done through continued investment in Human Resources, continuous training and skills development. The Group is also offering work experience in a unique working environment and remunerating employees fairly and in-line with their performance.

In addition to the above, the Board of Directors also consider the following risks to be relevant to the Group:

- Credit risk being the risk that customers do not pay for the services rendered.
- Market risk being the risk arising from an adverse movement in foreign exchange rates and interest rates.
- Operational risk which can arise in the SEO environment if search engines such as Google change their structure.
- Risk related to the reliance on third-party information, due to limited visibility of the traffic sent to Raketech's customers.

SUPPLEMENTAL INFORMATION

This report has not been subject to an audit or review by the Group's auditors.

Erik Penser Bank acts as the Group's certified advisor.

UPCOMING REPORT DATES

21 NOVEMBER
Interim report JUL-SEP 2019

20 FEBRUARY
Interim report OCT-DEC 2019

The interim reports are drawn up in line with Nasdaq's guidance for interim management statements which the Group is obliged to make public according to the EU Market Abuse Regulation.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousands	Notes	**Apr-Jun 2019**	Apr-Jun 2018	**Jan-Jun 2019**	Jan-Jun 2018	Jan-Dec 2018
Revenue	3	**5,656**	6,026	**12,107**	10,927	25,556
Other Income	9	**-**	-	**2,282**	-	-
Total revenue		**5,656**	6,026	**14,389**	10,927	25,556
Direct costs relating to fixed fees and commission revenue		**(604)**	(396)	**(1,407)**	(567)	(2,142)
Employee benefit expense		**(1,184)**	(1,403)	**(2,171)**	(2,604)	(4,840)
Depreciation and amortisation		**(907)**	(326)	**(1,597)**	(519)	(1,701)
IPO related costs		**-**	(1,376)	**-**	(1,503)	(1,503)
Other operating expenses		**(977)**	(991)	**(2,148)**	(1,996)	(4,176)
Total operating expenses		**(3,672)**	(4,492)	**(7,323)**	(7,189)	(14,362)
Operating profit		**1,984**	1,534	**7,066**	3,738	11,194
Finance costs		**(209)**	(1,344)	**(495)**	(2,596)	(6,401)
Profit before tax		**1,775**	190	**6,571**	1,142	4,793
Tax expense		**(88)**	(11)	**(214)**	(57)	(239)
Profit for the period/year – total comprehensive income		**1,687**	179	**6,357**	1,085	4,554
Profit attributable to:						
Equity holders of the Parent Company		**1,733**	181	**6,451**	1,087	4,708
Non-controlling interest		**(46)**	(2)	**(94)**	(2)	(154)
Earnings per share attributable to the equity holders of the parent during the period/year (expressed in Euro per share) [1]						
Earnings per share before dilution[1]		**0.05**	0.01	**0.17**	0.04	0.15
Earnings per share after dilution[1]		**0.05**	0.01	**0.17**	0.04	0.15

[1]By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, it was resolved to split the EUR 0.27 shares into shares of EUR 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.

The notes on pages 12 to 14 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousands	Notes	30 Jun 2019	30 Jun 2018	31 Dec 2018
Assets				
Non - Current Assets				
Goodwill	6	**344**	1,081	344
Intangible assets	6	**68,027**	58,369	65,673
Right of use assets	4	**474**	-	-
Property, plant and equipment		**185**	296	241
Deferred tax assets		**-**	33	-
Total non-current assets		**69,030**	59,779	66,258
Current assets				
Trade and other receivables		4,300	42,330	4,323
Cash and cash equivalents		3,433	4,301	7,526
Total current assets		**7,733**	46,631	11,849
TOTAL ASSETS		**76,763**	106,410	78,107
Equity & Liabilities				
Capital and reserves				
Share capital		**76**	2,670	76
Share premium		**39,387**	36,533	39,387
Other reserves	8	**666**	1,239	1,254
Retained earnings		**24,305**	14,531	17,948
Equity attributable to owners of the company		**64,434**	54,973	58,665
Non-controlling interests		**72**	15	67
Total Equity		**64,506**	54,988	58,732
Liabilities				
Non-current liabilities				
Borrowings	5	**2,864**	37,366	7,880
Deferred tax liability		**1,051**	-	837
Lease liabilities	4	**291**	-	-
Amounts committed on acquisition	7	**2,956**	2,541	4,039
Total non-current liabilities		**7,162**	39,907	12,756
Current liabilities				
Amounts committed on acquisition	7	**3,659**	4,005	3,046
Lease liabilities	4	**194**	-	-
Trade and other payables		**1,242**	6,733	3,573
Current tax liabilities		**-**	777	-
Total current liabilities		**5,095**	11,515	6,619
Total liabilities		**12,257**	51,422	19,375
TOTAL EQUITY AND LIABILITIES		**76,763**	106,410	78,107

The notes on pages 12 to 14 are an integral part of these condensed consolidated financial statements.

The condensed consolidated financial statements on pages 8 to 11 were approved for publication by the Board of Directors on 21 August 2019 and were signed on the Board of Directors' behalf by:

Erik Skarp
Board member

Johan Svensson
Board member

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousands	Notes	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	NCI	Total Equity
Balance at 1 January 2019		76	39,387	1,254	17,948	58,665	67	58,732
Comprehensive income								
Profit for the period		-	-	-	6,357	6,357	-	6,357
Total comprehensive income for the period		**-**	**-**	**-**	**6,357**	**6,357**	**-**	**6,357**
Transactions with owners of the Company								
Equity-settled share-based payments		-	-	80	-	80	-	80
Shareholders' contribution		-	-	5	-	5	5	10
Acquisition of treasury shares	8	-	-	(673)	-	(673)	-	(673)
Total transactions with owners of the Company		**-**	**-**	**(588)**	**-**	**(588)**	**5**	**(583)**
Balance at 30 June 2019		**76**	**39,387**	**666**	**24,305**	**64,434**	**72**	**64,506**

EUR thousands	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	NCI	Total Equity
Balance at 1 January 2018	2	1,000	1,204	13,460	15,666	-	15,666
Comprehensive income							
Profit for the period	-	-	-	1,087	1,087	(2)	1,085
Total comprehensive income for the period	**-**	**-**	**-**	**1,087**	**1,087**	**(2)**	**1,085**
Transactions with owners of the Company							
Issue of share capital (Net of transaction costs)	2,668	35,533	(1,000)	-	37,201	-	37,201
Equity-settled share-based payments	-	-	106	-	106	-	106
Shareholders' contribution	-	-	929	-	929	-	929
Transactions with non-controlling interests	-	-	-	(16)	(16)	16	-
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	1	1
Total transactions with owners of the Company	**2,668**	**35,533**	**35**	**(16)**	**38,220**	**17**	**38,237**
Balance at 30 June 2018	**2,670**	**36,533**	**1,239**	**14,531**	**54,973**	**15**	**54,988**

EUR thousands	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	NCI	Total Equity
Balance at 1 January 2018	2	1,000	1,204	13,460	15,666	-	15,666
Comprehensive income							
Profit for the year	-	-	-	4,554	4,554	-	4,554
Total comprehensive income for the year	**-**	**-**	**-**	**4,554**	**4,554**	**-**	**4,554**
Transactions with owners of the Company							
Issue of share capital (Net of transaction costs)	74	38,387	(1,000)	-	37,461	-	37,461
Equity-settled share-based payments	-	-	121	-	121	-	121
Shareholders' contribution	-	-	929	-	929	-	929
Transactions with non-controlling interests	-	-	-	(66)	(66)	67	1
Total transactions with owners of the Company	**74**	**38,387**	**50**	**(66)**	**38,445**	**67**	**38,512**
Balance at 31 December 2018	**76**	**39,387**	**1,254**	**17,948**	**58,665**	**67**	**58,732**

The notes on pages 12 to 14 are an integral part of these condensed consolidated financial statements..

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousands	Notes	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Cash flows from operating activities						
Profit before tax		**1,775**	190	**6,571**	1,142	4,793
Adjustments for:						
Depreciation and amortization		**907**	326	**1,597**	519	1,701
Net finance costs		**191**	1,344	**468**	2,596	6,401
Equity-settled share-based payment transactions		**40**	106	**80**	106	121
Liability write off	9	**-**	-	**(2,282)**	-	-
Loss on disposal of property, plant and equipment		**1**	1	**3**	1	8
Loss on disposal of intangible assets		**11**	-	**11**	-	-
		2,925	1,967	**6,448**	4,364	13,024
Net income taxes paid		**-**	**-**	**-**	(106)	(194)
Changes in:						
Trade and other receivables (net of provisions)		**285**	(852)	**24**	(1,453)	(1,647)
Trade and other payables		**(103)**	2,228	**(44)**	1,694	35
Net cash inflow from operating activities		**3,107**	3,343	**6,428**	4,499	11,218
Cash flows from investing activities						
Acquisition of property, plant and equipment		**9**	10	**(13)**	(30)	(34)
Acquisition of intangible assets		**(3,011)**	(5,597)	**(4,490)**	(8,897)	(15,771)
Investment in subsidiary		**-**	-	**-**	-	(732)
Proceeds from sale of property, plant and equipment		**1**	-	**2**	-	-
Net cash (outflow) from investing activities		**(3,001)**	(5,587)	**(4,501)**	(8,927)	(16,537)
Cash flows from financing activities						
Net proceeds from drawdowns/(repayments) on borrowings		**-**	445	**(4,884)**	8,646	(22,627)
Proceeds from issue of share capital, net of transaction costs		**-**	(1,065)	**-**	(1,065)	36,264
Acquisition of treasury shares		**(673)**	-	**(673)**	-	-
Acquisition of NCI		**-**	1	**-**	1	2
Capital Contribution		**-**	-	**10**	-	-
Lease Payments	4	**(53)**	-	**(106)**	-	-
Interest paid		**(24)**	(229)	**(367)**	(1,953)	(3,894)
Net cash inflow/(outflow) from financing activities		**(750)**	(848)	**(6,020)**	5,629	9,745
Net increase/(decrease) in cash and cash equivalents		**(644)**	(3,092)	**(4,093)**	1,201	4,426
Cash and cash equivalents at the beginning of the year/period		**4,077**	7,393	**7,526**	3,100	3,100
Cash and cash equivalents at the end of the year/period		**3,433**	4,301	**3,433**	4,301	7,526

The notes on pages 12 to 14 are an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Raketech Group Holding P.L.C. is a public limited company and is incorporated in Malta, having company registration number C77421. 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 P.L.C. The company is referred to as Raketech Group Holding P.L.C. throughout these financial statements.

2 ACCOUNTING POLICIES

Raketech prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. This interim report is prepared in accordance with IAS 34, *Interim Financial Reporting* and the interim financial statements have been prepared under the historical expense convention, as modified by the fair valuation of financial liabilities measured at fair value through profit and loss. The principal accounting policies applied in the preparation of the Group's condensed consolidated interim financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2018. The only exception is leases as a result of the implementation of IFRS 16, which became effective from 1 January 2019. The new standard has had limited impact on the Group's financial statements, the effects are highlighted below. The Parent Company applies the same accounting principles as the Group.

Other than the earnings and equity per share before and after dilution which are expressed in Euro (EUR), all other amounts are expressed in thousands Euro (EUR) or as otherwise indicated. Amounts or figures in brackets in the text indicate comparative figures for the corresponding period last year. The 2018 annual report is available at Raketech's web page.

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 lessees have a right to use an asset under a specific time period and at the same time having an obligation to pay for this right.

The Group has entered into a long-term office lease, which under IAS 17 was classified as operating lease and recognised as such until the end of year 31 December 2018. Per reporting date, the Group has non-cancellable operating lease commitments in respect of long-term office lease amounting to EUR 0.5 million. The Group applied the standard from its mandatory adoption date of 1 January 2019 and applied the simplified transition approach and has therefore not restated the comparative amounts for the year prior to first adoption. According to the new standard, the lease liability is measured at present value of the remaining lease payments per 30 June 2019, which amounts to EUR 0.5 million. The right-of-use asset is measured at an amount equivalent to the lease liability with no adjustment to equity, less the accumulated amortisation.

With the new standard, the rental costs of EUR 213 thousand for the year ending 31 December 2019 will be replaced by a notional interest of EUR 30 thousand and a depreciation of EUR 203 thousand. Resulting in an increase of EBITDA of EUR 213 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, according to IFRS 16, are excluded from this measure and the operating lease payments, according to IAS 17, were included in the EBITDA. Rental payments under IFRS 16 are allocated between interest payments and a reduction of the lease liability, with a corresponding impact on the Groups statement of cash flow within the financing activity. Further impact of IFRS 16 is disclosed in note 4.

3 REVENUES

The Group targets end-users and generates revenue by driving organic traffic through SEO 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 the respective period in 2018 and 2019, is further analysed as follows:

EUR thousands	**Apr-Jun 2019**	**Apr-Jun 2018**	**Change**	**Jan-Jun 2019**	**Jan-Jun 2018**	**Change**	**Jan-Dec 2018**
Revenue	**5,656**	6,026	(6.1%)	**12,107**	10,927	10.8%	25,556
- Commissions	**4,534**	*4,994*	*(9.2%)*	**9,897**	*9,229*	*7.2%*	*22,017*
- Fixed fees	**1,122**	*1,032*	*8.7%*	**2,210**	*1,698*	*30.2%*	*3,539*

4 LEASING

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

EUR thousands	
Operating lease commitments disclosed as of 31 December 2018	**627**
	Leasing Liability
Discounted using the Group's incremental borrowing rate at 1 January 2019	575
Notional interest charge	16
Payments[1]	(106)
Leasing liability at 30 June 2019[2]	**485**

[1] Payments relate to rental costs replaced by notional interest and amortisation.
[2] Of the total leasing liability, EUR 291 thousand are long term and EUR 194 thousand short term lease liabilities.

The right-of-use asset is initially measured at cost, which comprise 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.

EUR thousands	Right-of-use asset
Right-of-use asset at 1 January 2019	575
Amortisation charge	(101)
Right-of-use asset at 30 June 2019	**474**

5 BORROWINGS

In December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of EUR 10 million. As at 30 June 2019 the utilised credit amounts to EUR 3.0 million before the capitalised transaction costs of EUR 0.1 million.

6 INTANGIBLE ASSETS

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 Group monitors and manages its operations as one business unit.

During the second quarter the acquisition of Tvmatsit.com assets, which was completed 26 April 2019, has been classified between domains and websites, player databases and other intellectual property.

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. The directors are satisfied that the intangible assets are recoverable on the basis that the cash flows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions.

EUR thousands	**Domains and websites**	**Player databases**	**Other intellectual property**	**Software**	**Goodwill**	**Total**
Cost at 1 January 2019	60,260	3,652	3,683	329	344	68,268
Additions	1,225	282	2,021	259	-	3,787
Cost as at 30 June 2019	**61,485**	**3,934**	**5,704**	**588**	**344**	**72,055**
Accumulated amortisation 1 January 2019	-	(1,546)	(456)	(250)	-	(2,252)
Amortisation charge	-	(631)	(766)	(35)	-	(1,432)
Amortisation charge as at 30 June 2019	**-**	**(2,177)**	**(1,222)**	**(285)**	**-**	**(3,684)**
Net book amount 30 June 2019	**61,485**	**1,757**	**4,482**	**303**	**344**	**68,371**
Net book amount 30 June 2018	56,083	2,122	-	164	1,081	59,450

7 AMOUNTS COMMITTED ON ACQUISITION

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 is 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.

The adjustment to reflect the total impact of discounting in the condensed consolidated interim statement of financial position, amounted to EUR 0.6 million (nil) in the second quarter of 2019. Of the amounts recognised in the condensed consolidated interim statement of financial position as per 30 June 2019, EUR 3.7 million is considered to fall due for payment within less than 12 months from the end of the reporting period.

EUR thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Opening balance	**5,906**	5,529	**7,085**	1,918	1,918
Acquisitions during the period/year	**315**	744	**315**	4,496	13,517
Settlements/Setoffs	**(1,393)**	(185)	**(2,679)**	(326)	(7,315)
Notional interest charges	**123**	101	**232**	101	309
Adjustments arising as a result of a change in estimate	**1,664**	357	**1,662**	357	(1,344)
Closing balance	**6,615**	**6,546**	**6,615**	**6,546**	**7,085**

8 TREASURY SHARES

The Board of Directors of Raketech has pursuant to the authorisation of the Annual General Meeting on 8 May 2019 resolved to initiate the buy-back of shares with the purpose to decrease Raketech's capital. The buy-back programme runs between 5 June 2019 and 4 May 2020 and is 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 total number of shares in Raketech amounts to 37,900,633, out of which Raketech held no own shares at the date for the annual general meeting

As of June 30, 2019, Raketech's holding of own shares amounts to 379,000. In total, a maximum of 3,790,063 shares may be repurchased, corresponding to approximately 10 percent of the outstanding number of shares in Raketech. Repurchases can be carried out up to a maximum amount of SEK 113 million during the period and the total price for the repurchased shares under the program is SEK 7.1 million.

9 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 periods:

EUR thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan- Dec 2018
Revenue	**191**	396	**458**	609	1,361
Expenses					
Compensation (including salaries, consultancy fees and recharges from a related entity) including fees to executive management and directors	**462**	352	**878**	775	1,837
Amounts owed to related parties[1]	**106**	2,345	**106**	2,345	2,290
Amounts owed by related parties	**-**	44	**-**	44	-

[1]During Q1 2019, an agreement with one related party has been reached, to waive the amount of EUR 2,281,714. The amount has been recognised as other income against the consolidated statement of comprehensive income.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

EUR thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Other Income	-	-	-	-	2,982
Total revenue	-	-	-	-	2,982
Employee benefit expense	(124)	(83)	(248)	(83)	(331)
IPO related costs	-	(90)	-	(90)	(90)
Other operating expenses	1	(307)	(8)	(307)	87
Total operating expenses	(123)	(480)	(256)	(480)	(334)
Operating profit/loss	(123)	(480)	(256)	(480)	2,648
Finance costs	(67)	-	(89)	-	-
Profit/loss before tax	(190)	(480)	(345)	(480)	2,648
Tax expense	-	-	-	-	(803)
Profit/loss for the period/year – total comprehensive income	(190)	(480)	(345)	(480)	1,845

CONDENSED STATEMENT OF FINANCIAL POSITION – PARENT COMPANY

EUR thousands	30 Jun 2019	30 Jun 2018	31 Dec 2018
Assets			
Non - Current Assets			
Investment in subsidiaries	3,152	3,152	3,152
Total non-current assets	3,152	3,152	3,152
Current assets			
Trade and other receivables	42,135	38,283	39,576
Cash and cash equivalents	335	51	980
Total current assets	42,470	38,334	40,556
TOTAL ASSETS	45,622	41,486	43,708
Equity & Liabilities			
Capital and reserves			
Share capital	76	76	76
Share premium	41,603	41,603	41,603
Other reserves	(473)	106	120
Retained earnings	1,500	(480)	1,845
Total Equity	42,706	41,305	43,644
Liabilities			
Non-current liabilities			
Borrowings	2,864	-	-
Total non-current liabilities	2,864	-	-
Current liabilities			
Trade and other payables	52	181	64
Total current liabilities	52	181	64
Total liabilities	2,916	181	64
TOTAL EQUITY AND LIABILITIES	45,622	41,486	43,708

ASSURANCE

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Group.

Malta, 21 August 2019

MICHAEL HOLMBERG
CEO

CHRISTIAN LUNDBERG
Chairman of the Board

JOHAN SVENSSON
Board member

FREDRIK SVEDERMAN
Board member

ERIK SKARP
Board member

ANNIKA BILLBERG
Board member

This report has not been audited or reviewed by the company's auditors.

Presentation for investors, analysts and the media: CEO Michael Holmberg and CFO Andreas Kovacs will present the report and answer questions at 9.00 a.m. CET on 21 August 2019.

The presentation will be held in English and can be followed online via: https://tv.streamfabriken.com/raketech-q2-2019

To participate in the call, please dial:
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This information is such that Raketech Group Holding P.L.C. is required to publish under the EU Market Abuse Regulation. The information was submitted under the auspices of the above contact person for publication at 7.00 a.m. CET on 21 August 2019.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Unless defined otherwise in this report, the terms below have the following definitions

ADJUSTED EBITDA	EBITDA adjusted for IPO expenses and other non-operational income
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of total revenue for the period/year
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
EBITDA	Operating profit before depreciation, amortisation and impairment
EBITDA MARGIN	EBITDA as a percentage of revenue for the period/year
EARNINGS PER SHARE	Profit for the period/year in relation to weighted average number of shares
EQUITY PER SHARE	Equity attributable to owners of the Company in relation to the weighted average number of shares outstanding at the end of the period
FULL TIME EMPLOYEES AND EQUIVALENTS	Employees and external resources at the end of the period, such as dedicated staff as contractors (defined as full time employee equivalents)
LTM	Last twelve months
NDC (NEW DEPOSITING CUSTOMER)	A new customer placing a first deposit on a partners' website
NET DEBT-TO-ADJUSTED EBITDA	Net interest-bearing debt at the end of the period in relation to adjusted LTM EBITDA
NET INTEREST-BEARING DEBT	Interest-bearing debt at the end of the period, excluding earn-outs from acquisitions, minus cash and cash equivalents at the end of the period
OPERATING MARGIN	Operating profit as a percentage of revenue for the period/year
OPERATING PROFIT	Profit before financial items and taxes
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
RETURN ON EQUITY, LTM	LTM profit attributable to the equity holders of the Parent Company in relation to the equity attributable to owners of the Company
REVENUE/EMPLOYEE	Revenue for the period/year in relation to the numbers of employees
REVENUE GROWTH	Increase in revenue compared to the previous accounting period as a percentage of revenue in the previous accounting period
TRAFFIC	Relates to the number of visitors/users of Raketech's assets

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