Q3

INTERIM REPORT
JUL – SEP 2018

RAKETECH GROUP HOLDING P.L.C.

RAKETECH

THIRD QUARTER 2018

- Revenues increased by 42.3% to EUR 7.0 million (EUR 4.9 million)
- Organic growth amounted to 28.6% (32.6%)
- Adjusted EBITDA increased by 45.2% to EUR 4.1 million (EUR 2.8 million), corresponding to a margin of 58.7% (57.1%)
- Adjusted operating profit amounted to EUR 3.7 million (EUR 2.6 million), corresponding to a margin of 52.4% (53.6%)
- Profit for the period amounted to EUR 1.7 million (EUR 1.6 million)
- Earnings per share amounted to EUR 0.05 (EUR 0.07) before dilution
- NDCs (New Depositing Customers) increased by 49.0% to 26,837 (18,010)

FIRST NINE MONTHS OF 2018

- Revenues increased by 43.0% to EUR 17.9 million (EUR 12.5 million)
- Organic growth amounted to 22.6% (21.0%)
- Adjusted EBITDA increased by 29.4% to EUR 9.9 million (EUR 7.6 million), corresponding to a margin of 55.1% (60.8%)
- Adjusted operating profit amounted to EUR 8.9 million (EUR 7.2 million), corresponding to a margin of 49.7% (57.1%)
- Profit for the period amounted to EUR 2.8 million (EUR 5.0 million)
- Earnings per share amounted to EUR 0.10 (EUR 0.21) before dilution
- NDCs (New Depositing Customers) increased by 21.6% to 63,599 (52,302)

EVENTS DURING Q3 2018

- Interest-bearing liabilities of EUR 15 million were repaid to Ares Management as at 6 July 2018.
- Raketech announces a new partnership with Sper that reinforces responsible affiliate marketing efforts in Sweden.
- The earn-out conditions related to the casino affiliate site Casinofeber.se were amended as at 17 September 2018 and the earn-out period was extended until 2023. Management's best estimate of the outstanding earn out liability as at 30 September 2018 amounted to EUR 9m.

EVENTS AFTER THE REPORTING PERIOD

- Raketech launched betting community Urheiluveikkaus.com, a platform dedicated to providing high-quality sports betting content and expert betting tips to the Finnish market.
- Interest-bearing liabilities of EUR 15.5 million were repaid to Ares Management as at 1 October 2018 with effective date of 3 October 2018.
- Tax refund of EUR 0.7 million was received as at 30 October 2018.
- Esportsguide.com was launched on 16 November 2018.
- Raketech announces a new partnership with Trustly to be able to offer a new in-Banner Pay N Play technology across its online gaming products on 21 November 2018.

Comparative info relates to third quarter 2017 and nine months to 30 September 2017

Consolidated key data and ratios

Some financial measures presented in this interim report, including some key data and ratios are not defined by International Financial Reporting Standards (IFRS). These measures, as defined on page 18 of this report, will not necessarily be comparable to similarly titled measures in the reports of other companies. 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	Jul-Sep 2018	Jul-Sep 2017	Change %	Jan-Sep 2018	Jan-Sep 2017	Change %	Jan-Dec 2017
Revenue	**7,009**	**4,924**	**42.3%**	**17,936**	**12,544**	**43.0%**	**17,146**
Organic growth	28.6%	32.6%	-4.0%	22.6%	21.0%	1.6%	16.6%
- Revenue share	3,078	2,639	16.6%	7,894	6,884	14.7%	9,347
- Upfront payment	3,114	1,263	146.6%	7,524	3,111	141.9%	4,411
- Flat fee	817	1,022	-20.1%	2,518	2,549	-1.2%	3,388
Casino of total revenue	81.6%	69.9%	11.7%	77.0%	71.2%	5.8%	69.9%
Sport of total revenue	16.7%	26.2%	-9.5%	20.8%	23.2%	-2.4%	25.1%
Other of total revenue	1.7%	3.9%	-2.2%	2.2%	5.6%	-3.4%	5.0%
Revenue from the Nordics	95.8%	92.7%	3.1%	95.6%	92.0%	3.6%	91.7%
Revenue from other markets	4.2%	7.3%	-3.1%	4.4%	8.0%	-3.6%	8.3%
EBITDA	**4,116**	**2,810**	**46.5%**	**8,373**	**7,568**	**10.6%**	**9,481**
EBITDA margin	58.7%	57.1%	1.6%	46.7%	60.3%	-13.6%	55.3%
Adjusted EBITDA	**4,116**	**2,835**	**45.2%**	**9,876**	**7,631**	**29.4%**	**9,667**
Adjusted EBITDA margin	58.7%	57.6%	1.1%	55.1%	60.8%	-5.7%	56.4%
Operating profit	**3,673**	**2,614**	**40.5%**	**7,411**	**7,103**	**4.3%**	**8,813**
Operating margin	52.4%	53.1%	-0.7%	41.3%	56.6%	-15.3%	51.4%
Adjusted Operating profit	**3,673**	**2,639**	**39.2%**	**8,914**	**7,166**	**24.4%**	**9,000**
Adjusted Operating margin	52.4%	53.6%	-1.2%	49.7%	57.1%	-7.4%	52.5%
Average number of shares, before dilution	37,900,633	23,891,085	58.6%	28,868,458	23,729,299	21.7%	23,770,071
Average number of shares, after dilution	38,391,750	23,891,085	60.7%	29,183,277	23,729,299	23.0%	23,770,071
NDCs	26,837	18,010	49.0%	63,599	52,302	21.6%	67,193
Mobile vs total traffic (visitors)	68.4%	55.3%	13.1%	66.1%	58.6%	7.5%	60.2%

FOR MORE INFORMATION, CONTACT:

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CEO COMMENTS

I am happy to announce another quarter with strong growth and high profitability, driven by our clear focus on organic growth.

RESULTS

Revenues for the third quarter amounted to EUR 7.0 million, an increase of 42 percent compared to the corresponding quarter last year. The organic revenue growth amounted to 29 percent. Growth compared to the second quarter was 16 percent. Adjusted EBITDA amounted to EUR 4.1 million, corresponding to an EBITDA margin of 59 percent.

PRODUCT INNOVATION AND ORGANIC GROWTH

The strong organic growth was achieved by our strategy to capitalise on our existing assets (which we refer to as Raketech Core). Over the past couple of years, we have invested in building a scalable business model. We have developed new technical platforms and data analysis tools, and we see it starting to pay off. With this foundation, we are not only well-equipped to grow our existing products in Raketech Core, but we are also in an excellent position to innovate and roll out new products from Raketech Lab (new innovative services built in-house or via partnerships).

We are focusing on creating scalable products, utilising our existing platforms and applying our expertise to develop new products and/or enter new markets. I am pleased with our product development and confident that our team of driven entrepreneurs will continue delivering great product ideas and launching with a short time to market. This mix of technology and innovation is what will continue to drive Raketech to be a market leader also in the future.

REGULATION

We are well prepared for the upcoming regulation of the Swedish gaming market and I am confident that Raketech will maintain a strong position in Sweden when regulation comes into effect on 1 January 2019. We have re-negotiated terms with our partners and secured new partnerships with large gaming operators entering the Swedish market for the first time.

The gaming tax of 18 percent of gross gaming revenue (GGR) for the gaming operators will in most cases be split across the value chain.

A newly regulated Swedish gaming market presents a great opportunity for paid online media advertising, a service which we are ready to provide next year.

Overall, it will be business as usual with the new legislation, and we do not foresee any dramatic impact on our earnings. As I have previously mentioned, we take a positive view on regulation, which sets out clear guidelines for everyone involved, contributing to a long-term sustainable gaming market.

SUSTAINABILITY

During the quarter, Raketech partnered with Sper (Spelbranschens Riksorganisation). Sper is a Swedish gambling association with the goal of protecting consumers and stakeholders in the regulated Swedish gambling market. The partnership strengthens our focus on sustainability. We join a group of well-recognised and regulated companies, such as ATG and Svenska Spel, as the first affiliate member, with a shared goal of protecting the long-term sustainability of a re-regulated Swedish gaming industry.

We have continued to enhance the way we promote our partners, always aiming to be more transparent and innovative in the way we publish bonus offers and campaigns. In the last quarter, we also enhanced our responsible gambling message and added more relevant advice across all our iGaming products. This to better educate our users on the new tools and operator initiatives available to help people play more responsibly.

DEVELOPMENT IN THE FORTH QUARTER

At the beginning of the fourth quarter we launched a new sports betting community in Finland to leverage our positive momentum in this market. Urheiluveikkaus.com runs on our state-of-the-art sports media platform, which also powers BetXpert.com in Denmark and Betting.se in Sweden.

We repaid EUR 15.5 million of the current loan under our existing credit facility in the fourth quarter to reduce finance costs.

Looking ahead, we will secure a suitable financing option that allows us to continue our long-term M&A strategy.

We recently launched a new global product - Esportsguide.com - that will target a new area and appeal to a wide range of people. Esportsguide.com is a strategic initiative that stems from the Raketech Lab and provides an excellent opportunity to penetrate a booming market. The esports industry is of interest to some of our biggest partners that offer esports betting, and I expect more operators to grow in this area.

We are pleased with our achievements in the last quarter and have maintained the momentum into the fourth quarter with some exciting product launches and new partnerships. We are on course to meet our targets for the remainder of the year.

MICHAEL HOLMBERG
CEO

Financial performance during the third quarter of 2018

Revenue development of 42.3% in the third quarter of 2018, compared with the same quarter last year, was driven primarily by organic growth of 28.6% together with a strong underlying NDC growth of 49%.

REVENUES

Revenues totalled EUR 7.0 million (EUR 4.9 million) in the third quarter, corresponding to an increase of 42.3% compared to the equivalent period in 2017. Organic growth amounted to 28.6% (32.6%). Revenue growth was driven mainly by strong development in the casino segment.

EXPENSES

Direct expenses amounted to EUR 0.6 million (EUR 0.2 million) driven by increased SEO-advisory and consultancy expenses related to external content writers.

Personnel expenses amounted to EUR 1.3 million (EUR 1.0 million). The increase was driven by recruitment of certain key employees throughout the organisation.

Other expenses amounted to EUR 1.0 million (EUR 0.8 million) which was affected positively by EUR 0.2 million related to exchange rate differences.

The Group did not have any expenses attributable to the stock market listing on Nasdaq First North Premier during Q3 and management does not expect such expenses going forward.

Depreciation and amortisation amounted to EUR 0.4 million (EUR 0.2 million). The increased depreciation was primarily attributable to depreciation of player databases and other intellectual property.

PROFITABILITY

EBITDA amounted to EUR 4.1 million (EUR 2.8 million), corresponding to an increase of 46.5%. The EBITDA margin amounted to 58.7% (57.1%).

Profit for the period amounted to EUR 1.7 million (EUR 1.6 million). Profit for the period was negatively impacted by the accelerated unwinding of the previously capitalised transaction expenses as a result of the repayment of the long-term interest-bearing liability of EUR 15.0 million to Ares Management Ltd, and by administrative fees linked to the repayment. The non-cash effect related to the repayment amounted to EUR 0.7 million.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 2.3 million (EUR 1.5 million), impacted by the significant amount of IPO-related expenses paid during Q3, but also by payment of tax liabilities of EUR 0.8 million of which EUR 0.7 million has been refunded during Q4 2018.

Cash flow from investing activities amounted to EUR -5.0 million (EUR -0.1 million).

Cash flow from financing activities amounted to EUR 18.9 million (EUR -1.1 million). Cash and cash equivalents at the end of the quarter amounted to EUR 20.5 million (EUR 3.5 million).

Financial performance during the first nine months of 2018

REVENUES

Revenues totalled EUR 17.9 million (EUR 12.5 million) during the first nine months of the year, corresponding to an increase of 43.0% compared to the equivalent period in 2017. Organic growth amounted to 22.6% (21.0%). The positive revenue growth mainly derives from increased commission income from new customers driven by continued strong development from casino and media platforms.

EXPENSES

Direct expenses amounted to EUR 1.2 million (EUR 0.6 million), consisting primarily of SEO, hosting and domain expenses.

Personnel expenses amounted to EUR 3.9 million (EUR 2.4 million), mainly driven by the increased average number of employees rising from the second half of 2017.

Other expenses amounted to EUR 3.0 million (EUR 1.9 million) in line with the increased number of employees. Expenses attributable to the listing on Nasdaq First North Premier amounted to EUR 1.5 million (EUR 0.1 million) during the first nine months of 2018. No costs related to listing fees were recognised during Q3 2018.

Depreciation and amortisation amounted to EUR 1.0 million (EUR 0.5 million).

PROFITABILITY

Adjusted EBITDA amounted to EUR 9.9 million (EUR 7.6 million) representing an increase of 29.4%. The Adjusted EBITDA margin was 55.1% (60.8%). EBITDA, including expenses for the stock market listing, amounted to EUR 8.4 million (EUR 7.6 million).

Profit for the period amounted to EUR 2.8 million (EUR 5.0 million). Profit amounted to EUR 4.3 million (EUR 5.1 million) after adjusting for expenses related to the stock market listing. Profit for the period was also negatively impacted by the accelerated unwinding of the previously capitalised transaction expenses as a result of the repayment of the long-term interest-bearing liability of EUR 15.0 million to Ares Management Ltd, and by administrative fees linked to the repayment. The non-cash effect related to the repayment amounted to EUR 0.7 million.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 5.6 million (EUR 4.1 million).

Cash flow from investing activities amounted to EUR -13.9 million (EUR -26.7 million).

Cash flow from financing activities amounted to EUR 25.6 million (EUR 26.0 million). Cash and cash equivalents at the end of the quarter amounted to EUR 20.5 million (EUR 3.5 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 a new outstanding amount of 37,900,633 shares as at 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. The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

SIGNIFICANT RISKS AND UNCERTAINTIES

One of the most significant risks being faced by the Group is associated with acquisitions. As the different markets continue to mature, it may become more difficult to acquire new high-quality assets. Acquisitions may grow more expensive, and the market more consolidated.

The remote gaming industry continues to undergo regulation and is to some extent subject to political and regulatory risk. Changes to existing regulations in various jurisdictions might impact the ability of remote gaming operators, who are the Group's customers, to operate in such markets and accordingly revenue streams from such 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. Such events could have an adverse effect on the Group's business. The Group continues to focus on expanding its existing customer base geographically.

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. The Group is continuously monitoring any regulatory changes within the European market, and if any new regulatory enactment is required, 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 are taking place in a number of EU

jurisdictions, including Sweden, the top market for the Group. The directors are of the view that the Group is prepared for the upcoming regulation in Sweden and favour to operate 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 new people. This is being done through continued investment in our Human Resources function, continuous training and skills development, 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 considers 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.

REVIEW

This report has been subject to a review by the Group's auditors PricewaterhouseCoopers Malta under the International Standard on Review Engagements (ISRE) 2410 'Review of interim financial information performed by the independent auditor of the entity.

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

UPCOMING REPORTS

Year-end report 2018:
21 February 2019

Interim report Jan-Mar 2019:
22 May 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.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Directors of Raketech Group Holding p.l.c.

Introduction

We have reviewed the accompanying condensed consolidated interim statements of financial position of Raketech Group Holding p.l.c. and its subsidiaries (the 'Group') as at 30 September 2018 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended, and the notes, comprising a summary of significant accounting policies and other explanatory notes. The directors are responsible for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim financial reporting'). Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

Other matter

The comparative information for the statement of financial position as at 31 December 2017 is based on audited financial statements. The comparative information for the statement of financial position as at 30 September 2017 and statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the nine-month period ended 30 September 2017 has not been audited or reviewed.

PRICEWATERHOUSECOOPERS

78, Mill Street
Qormi
Malta

Romina Soler
Partner
22 November 2018

Condensed consolidated interim statement of comprehensive income

EUR thousands	Note	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Total revenue	3	7,009	**4,924**	17,936	**12,544**	17,146
Direct costs relating to fixed fees and commission revenue		(644)	(212)	(1,211)	(581)	(859)
Employee benefit expense		(1,263)	(1,045)	(3,867)	(2,414)	(3,497)
Depreciation and amortisation		(443)	(196)	(962)	(465)	(667)
IPO related costs		-	(25)	(1,503)	(63)	(187)
Other operating expenses		(986)	(832)	(2,982)	(1,918)	(3,123)
Total operating expenses		(3,336)	(2,310)	(10,525)	(5,441)	(8,333)
Operating profit		3,673	**2,614**	7,411	**7,103**	8,813
Finance costs		(1,849)	(911)	(4,445)	(1,822)	(2,738)
Profit before tax		1,824	**1,703**	2,966	**5,281**	6,075
Tax expense		(91)	(86)	(148)	(265)	(307)
Profit for the period/ year		1,733	**1,617**	2,818	**5,016**	5,768
Profit attributable to:						
Equity holders of the Parent Company		1,786	**1,617**	2,873	**5,016**	5,768
Non-controlling interest		(53)	**-**	(55)	**-**	-
Earnings per share attributable to the equity holders of the parent during the period/year (expressed in Euro per share)*						
Basic earnings per share*						
From profit for the period/ year		0.05	**0.07**	0.10	**0.21**	0.24
Diluted earnings per share*						
From profit for the period/ year		0.05	**0.07**	0.10	**0.21**	0.24

**By virtue of a resolution approved during the Annual General Meeting held on 18 May, 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.*

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

EUR thousands	Notes	30 Sep 2018	30 Sep 2017	31 Dec 2017
Assets				
Non-current assets				
Goodwill	4	731	-	-
Intangible assets	5	66,151	48,666	46,393
Property, plant and equipment		279	306	318
Deferred tax assets		-	133	90
Total non-current assets		**67,161**	**49,105**	**46,801**
Current assets				
Trade and other receivables		4,374	2,589	2,610
Cash and cash equivalents		20,507	3,483	3,100
Total current assets		**24,881**	**6,072**	**5,710**
TOTAL ASSETS		**92,042**	**55,177**	**52,511**
Equity & Liabilities				
Capital and reserves				
Share capital		76	2	2
Share premium		39,387	-	1,000
Other reserves		1,279	1,204	1,204
Retained earnings		16,262	12,708	13,460
Equity attributable to owners of the Company		**57,004**	**13,914**	**15,666**
Non-controlling interests		**17**	-	-
Total Equity		**57,021**	**13,914**	**15,666**
Liabilities				
Non-current liabilities				
Borrowings	6	21,954	27,870	28,077
Deferred tax liability		58	-	-
Amounts committed on acquisition	8	4,658	942	586
Total non-current liabilities		**26,670**	**28,812**	**28,663**
Liabilities				
Current liabilities				
Amounts committed on acquisition	8	5,107	5,139	1,332
Trade and other payables	7	3,244	6,452	5,967
Current tax liabilities		-	860	883
Total current liabilities		**8,351**	**12,451**	**8,182**
Total liabilities		**35,021**	**41,263**	**36,845**
TOTAL EQUITY AND LIABILITIES		**92,042**	**55,177**	**52,511**

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 9 to 16 were approved for publication by the Board of Directors on 22 November 2018 and were signed on the Board of Directors' behalf by:

Erik Skarp
Board member

Johan Svensson
Board member

Condensed consolidated interim statement of changes in equity

Consolidated Statement of Changes in Equity	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	NCI	Total Equity
Eur Thousands							
Balance at 1 January 2018	2	1,000	1,204	13,460	15,666	-	15,666
Total comprehensive income for the period							
Profit for the period	-	-	-	2,818	2,818	-	2,818
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	-	-	146	-	146	-	146
Shareholder's contribution	-	-	929	-	929	-	929
Total transactions with owners of the Company	74	38,387	75	-	38,536	-	38,536
Changes in ownership interest							
Disposal of NCI without a change in control	-	-	-	(16)	(16)	16	-
Acquistion of subsidiary with NCI	-	-	-	-	-	1	1
	-	-	-	(16)	(16)	17	1
Balance at 30 September 2018	**76**	**39,387**	**1,279**	**16,262**	**57,004**	**17**	**57,021**

Consolidated Statement of Changes in Equity	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	NCI	Total Equity
Eur Thousands							
Balance at 1 January 2017	2	-	1,204	7,692	8,898	-	8,898
Total comprehensive income for the period							
Profit for the period	-	-	-	5,016	5,016	-	5,016
Balance at 30 September 2017	**2**	**-**	**1,204**	**12,708**	**13,914**	**-**	**13,914**

Consolidated Statement of Changes in Equity	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total	NCI	Total Equity
Eur Thousands							
Balance at 1 January 2017	2	-	1,204	7,692	8,898	-	8,898
Total comprehensive Income for the year							
Profit for the year	-	-	-	5,768	5,768	-	5,768
Transactions with owners of the Company							
Issue of share capital	-	1,000	(1,000)	-	-	-	-
Equity-settled share-based payments	-	-	1,000	-	1,000	-	1,000
Total transactions with owners of the Company	-	1,000	-	-	1,000	-	1,000
Balance at 31 December 2017	**2**	**1,000**	**1,204**	**13,460**	**15,666**	**-**	**15,666**

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

EUR thousands	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Cash flows from operating activities					
Profit before tax	1,824	1,703	2,966	5,281	6,075
Adjustments for:					
- Depreciation and amortization	443	196	962	465	667
- Net finance costs	1,849	911	4,445	1,822	2,738
- Equity-settled share based payment transactions	40	-	146	-	-
- Loss on sale of property, plant and equipment	-	-	1	-	-
	4,156	**2,810**	**8,520**	**7,568**	**9,480**
Income taxes paid	(777)	-	(883)	-	(26)
Changes in:					
- Trade and other receivables (net of provisions)	(311)	(473)	(1,764)	(1,649)	(1,562)
- Trade and other payables	(788)	(853)	(239)	(1,839)	(3,160)
Net cash from operating activities	**2,280**	**1,484**	**5,634**	**4,080**	**4,732**
Cash flows from investing activities					
- Acquisition of property, plant and equipment	(5)	(95)	(35)	(302)	(332)
- Acquisition of intangible assets	(5,017)	(31)	(13,121)	(26,401)	(27,475)
- Net acquisition of investments	-	-	(715)	-	-
Net cash used in investing activities	**(5,022)**	**(126)**	**(13,871)**	**(26,703)**	**(27,807)**
Cash flows from financing activities					
- Net proceeds from drawdowns/(repayments) on borrowings	(15,463)	(661)	(6,817)	27,215	27,894
- Proceeds from issue of share capital, net of transaction costs	36,264	-	36,264	-	-
- Acquisition of NCI	-	-	1	-	-
- Interest paid	(1,853)	(392)	(3,804)	(1,166)	(1,776)
Net cash from/(used in) financing activities	**18,948**	**(1,053)**	**25,644**	**26,049**	**26,118**
Net increase in cash and cash equivalents	16,206	305	17,407	3,426	3,043
Cash and cash equivalents at the beginning of the year/period	4,301	3,178	3,100	57	57
Cash and cash equivalents at the end of the year/period	**20,507**	**3,483**	**20,507**	**3,483**	**3,100**

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

Notes to the 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. The condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting. These 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 2017 which is publicly available, except for the treatment of financial instruments as a result of the implementation of IFRS 9 and share options. Other than the basic earnings per share and diluted earnings per share which are expressed in Euro (EUR), all other amounts are expressed in thousands of Euro (EUR) or as otherwise indicated. Amounts or figures in parentheses indicate comparative figures for the corresponding period last year.

IFRS 9, 'Financial instruments', which the Group adopted on its mandatory effective date of 1 January 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. Amongst others, it replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. It largely retains the IAS 39 requirements in respect of the recognition and measurement of financial liabilities. The basis of classification of investments in debt instruments under IFRS 9 depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The Group's investments in debt instruments, which comprise trade and other receivables which are subject to credit terms that are consistent with normal trading conventions as well as cash and cash equivalents, were classified under IAS 39 as 'Loans and receivables' and measured at amortised cost.

The Group's management has determined that:

- the Group's objective for holding these portfolios of assets is to collect the contractual cash flows, and accordingly, they meet the 'Hold to collect' business model under IFRS 9; and
- the instruments, which comprise cash balances held with banks and trade receivables, have cash flow characteristics that are consistent with what IFRS 9 terms as payments of solely principal and interest.

Accordingly, while these financial assets have been reclassified from 'Loans and receivables' to 'Financial assets measured at amortised cost', their measurement at amortised cost under IFRS 9 is consistent with the Group's previous practice under IAS 39, and the adoption of IFRS 9 has not resulted in any change in their gross carrying amount. IFRS 9 also introduces a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. This amendment requires the Group to recognise impairment allowances on the basis of expectations of possible losses, even if there is no objective evidence of a loss having already taken place.

As the Group's cash balances are held at a financial institution with a high credit rating, and its trade receivables are short-term, and provisions have already been recognised under IAS 37 based on credit assessments of each debtor, the adoption of IFRS 9 has not had a material impact on the Group's impairment provisions. The adoption of IFRS 9 has not had any impact on the Group's recognition and measurement of financial liabilities.

With effect from 1 January 2018 the Group also adopted IFRS 15, 'Revenue from contracts with customers', which deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service (a 'performance obligation' in terms of IFRS 15) and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Group earns revenue by attracting potential players to its domains or website content and then referring the potential players to operators in the iGaming sector. The Group only earns commission from affiliate marketing agreements once players deposit money or place bets with the operators. The Group also generates revenues by charging a fixed fee for listing and critically reviewing and/or advertising iGaming operators on the Group's websites.

The Group's affiliate marketing agreements give rise to variable consideration. Under IFRS 15, variable compensation is recognised in accordance with the Group's estimate of the amount of compensation to which it expects to be entitled in accordance with the contract. A constraint is however included in IFRS 15 to ensure that variable compensation is not recognised as income until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group's management has determined that:

- its affiliate marketing agreements comprise a series of distinct performance obligations. In respect of variable compensation linked to this series of distinct performance obligations, the Group recognises this income in the month in which its contractual right to invoice the iGaming operators is established; and
- each agreement to list and critically review and/or advertise iGaming operators on the Group's websites contains a single performance obligation that is satisfied over time, and revenue is accordingly recognised as income over the period of the agreement on a time proportion basis. The Group has accordingly not been significantly impacted by the adoption of IFRS 15.

An employer share incentive program was introduced for certain key employees on 9 April 2018. Through this share incentive program, 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 share holder dilution can be maximum 2% for the full program.

Equity-settled share based payment transactions are measured at the grant date fair value for employee services, which requires a valuation of the options. Once the fair value has been determined, the amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-marketing performance conditions at the vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. The grant by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

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.

3. REVENUES

The Group attracts end-users and generates revenue by generating organic traffic through search engine optimisation, and through acquisitions. 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.

The revenue for Raketech for the third quarter and first nine months of 2018, and the third quarter and first nine months 2017, is further analysed as follows:

EUR thousands	Jul- Sep 2018	Jul- Sep 2017	Change %	Jan- Sep 2018	Jan- Sep 2017	Change %	Jan- Dec 2017
Revenue	**7,009**	**4,924**	**42.3%**	**17,936**	**12,544**	**43.0%**	**17,146**
-Commission	**6,192**	3,902	**58.7%**	15,418	9,995	**54.3%**	13,758
- Flat fee	**817**	1,022	**-20.1%**	2,518	2,549	**-1.2%**	3,388

4. GOODWILL

On 6 June 2018, the Group entered into a share transfer agreement with Upside Media Ltd (the "Sellers"), not a related party, amounting to 51% of Shogun Media Limited's shares. Raketech gained control and consolidated the acquired operations on 6 June 2018 and the total purchase consideration for 51% of the shares amounted to EUR 0.7 million. In connection with the acquisition, Raketech also undertook to provide a cash contribution of EUR 0.4 million to Shogun Media Limited. The non-controlling interest arising from this acquisition amounted to EUR 17k and the revenues attributable to Shogun Media Limited amounted to EUR 33k during Q3 2018. No revenue was generated in Shogun Media Limited prior to the acquisition as the legal entity was established in connection with the acquisition.

Goodwill is attributable to future revenue synergies, which are based on the opportunity to reach new players through access to the know-how and human capital. The surplus is primarily attributed to goodwill, which is predominantly attributable to know-how. As at 30 September 2018, goodwill totalled EUR 0.7 million.

At the time the condensed consolidated interim financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisition of Shogun Media Limited. In particular, the goodwill disclosed above have only been determined provisionally as the purchase price allocations have not been finalised.

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.

5. INTANGIBLE ASSETS

EUR thousands	Domains and Websites	Player databases	Other intellectual property	Computer Software	Total
Cost at 1 January 2018	44,931	1,802	-	319	**47,052**
Additions	15,265	1,852	3,520	10	**20,647**
Accumulated amortisation 1 January 2018	-	(577)	-	(82)	**(659)**
Amortisation charge	-	(657)	(107)	(125)	**(889)**
Net book amount 30 September 2018	60,196	2,420	3,413	122	**66,151**
Net book amount 30 September 2017	47,038	1,385	-	243	**48,666**

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 2018, a number of websites, domains and player databases were acquired. No acquisitions have been completed during the third quarter except for an amendment to the earn-out levels in relation to the Casinofeber acquisition as discussed below. The impact of discounting of the contingent consideration is disclosed in note 8.

In relation to the renegotiation with Casinofeber newly developed assets related to intellectual property were recognised at the end of the reporting period. The value related to other intellectual property has been recognised as a new class of assets amounting to EUR 3.4 million as at 30 September 2018. The estimated useful life for such assets amounts to 3 years.

6. BORROWINGS

During 2018, the Group utilised loans from third parties with a nominal value of EUR 8.2 million totalling to EUR 38.2 million as at 30 June 2018. As at 6 July 2018 EUR 15.0 million was repaid leading to a utilised amount of EUR 23.2 million as per 30 September 2018 (EUR 30.0 million at 30 September 2017). An additional amount of EUR 15.5 million was repaid to Ares Management as of 1 October 2018 with effective date of 3 October 2018 (note 10).

As at 30 September 2018, the carrying amount for the loans amounted to EUR 22.0 million (EUR 27.9 million at 30 September 2017) after taking the effect of capitalised transaction expenses into account. Transaction expenses have been recognised as a reduction of the borrowings in accordance with the Group's accounting policy. All borrowings bear interest at variable rates and mature three years after each tranche is utilised. The total loan facility, which became available on 27 February 2017, is divided into two tranches: Tranche 1 of EUR 40 million and Tranche 2 of EUR 30 million. As per 30 September 2018, the Tranche 1 and Tranche 2 facilities unutilised by the Group amounted to EUR 23.2 million (EUR 30 million). Collateral for the loan consists of the underlying acquired assets. The loans bear a floating rate coupon of Euribor 1m + 9.25%. Euribor 1m is subject to a floor of 1%.

The contractual terms of this loan require Raketech Group Holding P.L.C. to pledge its entire shareholding in Raketech Group Limited to the lenders as collateral. The documentation confirming the pledge was filed by the Group with the Registry of Companies in Malta on 27 February 2017 and remains in place as at the date on which these financial statements were approved for publication.

7. TRADE AND OTHER PAYABLES

Included within trade and other payables as at 30 September 2018 were amounts due to related parties amounting to EUR 2.3 million (EUR 4.7 million at 30 September 2017) which mature without interest, have no fixed repayment date and fall due for repayment on demand. As at 30 September 2018, the amounts due to related parties were payable to two separate parties.

8. 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 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 first nine months of 2018, the additional amounts committed on acquisitions related to the acquisition of the assets of Mediaclever Sverige AB and to the acquisition of the affiliate sites of Casinofeber. The earn-out conditions related to the casino affiliate sites of Casinofeber were amended as at 17 September 2018 and the earn-out period was prolonged to 2023. The contingent consideration related to Casinofeber is uncapped. Management's best estimate of the total contingent consideration for these assets, including the contingent consideration on the Mediaclever acquisition, amounted to EUR 9.8m as at 30 September 2018 and has been recognised in the condensed consolidated interim statement of financial position.

The adjustment to reflect the total impact of discounting in the condensed consolidated interim statement of financial position, amounted to EUR 0.9 million (Nil) in the third quarter of 2018. Of the amounts recognised in the condensed consolidated interim statement of financial position as per 30 September 2018, EUR 5.1 million is considered to fall due for payment within less than 12 months from the end of the reporting period.

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	July - Sep 2018	July - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017
Revenue	**585**	193	**1,173**	560	**802**
Expenses					
Compensation (including salaries, consultancy fees and recharges from a related entity) including fees to executive management and directors	**393**	325	**1,168**	799	**1,148**
Amounts owed to related parties	**2,331**	4,709	**2,331**	4,709	**4,500**
Amounts owed by related parties	**-**	-	**-**	-	**191**

During Q2 2018 related party liabilities of EUR 2.0 million was converted to equity of EUR 1.1 million worth of shares and EUR 0.9 million waived.

10. EVENTS AFTER THE REPORTING PERIOD:

- Raketech launched betting community Urheiluveikkaus.com, a platform dedicated to providing high-quality sports betting content and expert betting tips to the Finnish market.
- Interest-bearing liabilities of EUR 15.5 million were repaid to Ares Management as of 1 October 2018 with effective date of 3 October 2018.
- Tax refund of EUR 0.7 million was received as at 30 October 2018.
- Esportsguide.com was launched on 16 November 2018
- Raketech announces a new partnership with Trustly to be able to offer a new in-Banner Pay N Play technology across its online gaming products on 21 November 2018.

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 describes the significant risks and uncertainties faced by the Group.

Malta, 22 November 2018

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

PRESENTATION TO INVESTORS AND MEDIA :

CEO Michael Holmberg and CFO Andreas Kovacs will present the report and answer questions at 9.00 a.m. CET on 22 November. The presentation will be held in English and can be followed online via https://tv.streamfabriken.com/raketech-q3-2018.

To participate in the call, please dial:

Sweden: +46 8 566 42 691

UK: +44 203 008 9810

US: +1 855 831 5946

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 8.00 a.m. CET on 22 November 2018.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

KEY RATIOS

ADJUSTED EBITDA – EBITDA adjusted for IPO expenses.

ADJUSTED EBITDA MARGIN – Adjusted EBITDA as a percentage of total revenue.

ADJUSTED OPERATING MARGIN – Operating margin adjusted for IPO expenses.

ADJUSTED OPERATING PROFIT – Operating profit adjusted for IPO expenses.

EBITDA – Operating profit before depreciation, amortisation and impairment.

EBITDA MARGIN – EBITDA as a percentage of revenue.

OPERATING PROFIT – Profit before financial items and taxes.

OPERATING MARGIN – Operating profit as a percentage of revenue.

ALTERNATIVE KEY RATIOS

NDC (NEW DEPOSITING CUSTOMER) - A new customer placing a first deposit on a client's website..

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.

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.

RAKETECH

www.raketech.com