RAKETECH

2019
YEAR END REPORT

www.raketech.com

YEAR END REPORT 2019

FOURTH QUARTER 2019

- Revenues totalled EUR 5.8 million (EUR 7.6 million) representing a decrease of 23.3%.
- NDCs (New Depositing Customers) amounted to 28,002 (35,948).
- Adjusted EBITDA amounted to EUR 2.0 million (EUR 4.5 million), corresponding to a margin of 33.6% (59.3%).
- Adjusted operating profit amounted to EUR 0.3 million (EUR 3.8 million).
- Earnings for the period amounted to EUR -0.3 million (profit of EUR 1.7 million).

FULL-YEAR 2019

- Revenues totalled EUR 23.9 million (EUR 25.6 million) representing a decrease of 6.5%.
- NDCs amounted to 108,365 (99,599).
- Adjusted EBITDA amounted to EUR 11.0 million (EUR 14.4 million), corresponding to a margin of 46.0% (56.3%).
- Adjusted operating profit amounted to EUR 6.5 million (EUR 12.7 million).
- Earnings for the period amounted to EUR 7.2 million (EUR 4.6 million).

EVENTS DURING FOURTH QUARTER 2019

- On 1 October it was announced that Chief Financial Officer ('CFO') Andreas Kovacs has been appointed to a new role as Director of Business Development and Måns Svalborn will join as CFO. Måns officially took over as CFO on 1 December 2019.
- The board of Directors has decided to terminate the buy-back programme until further notice. A total of 487,000 shares, equivalent to 1.3 % of the total number of shares and votes in the company, were repurchased as part of the buy-back programme that was announced on 5 June 2019.
- On 11 December 2019, the board of Directors appointed Oskar Mühlbach as the new President and CEO. The former CEO Michael Holmberg has left Raketech and handed over the CEO assignments to Oskar Mühlbach.

SUBSEQUENT EVENTS AFTER THE END OF THE YEAR

- Raketech announced preliminary revenue, EBITDA and operating profit for the fourth quarter on 8 January 2020. The announcement was issued as the reported EBITDA was below expectations due to exceptional cost items and an increased loss allowance for trade receivables. Furthermore, operating profit was affected by a revaluation of goodwill. The preliminary revenues amounted to EUR 5.8 million and reported EBITDA was estimated at EUR 1.6 million. Actual revenues and EBITDA are in line with the announced preliminary estimates.
- Revenues of EUR 2.0 million in January 2020.

CONSOLIDATED KEY DATA AND RATIOS

Some financial measures presented in this 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 definitions can be found on page 19 of this report. These non-IFRS measures may provide valuable additional information to investors and management although they should not be considered as substitutes for financial reporting measures prepared in accordance with IFRS.

Financial Data						
EUR thousands	***Oct - Dec 2019***	*Oct - Dec 2018*	*Change*	*Jan- Dec 2019*	*Jan- Dec 2018*	*Change*
Revenue (IFRS)	**5,845**	7,620	(23.3%)	**23,906**	25,556	(6.5%)
Organic growth	**(29.5%)**	50.2%	*(79.7)*	**(11.8%)**	29.9%	*(41.7)*
Revenue share	**49.2%**	*41.2%*	*8.0*	**44.2%**	*43.2%*	*1.0*
Upfront payment	**32.8%**	*45.2%*	*(12.4)*	**39.1%**	*42.9%*	*(3.8)*
Flat fee	**18.0%**	*13.6%*	*4.4*	**16.7%**	*13.9%*	*2.8*
Casino of total revenue	**66.3%**	*70.7%*	*(4.4)*	**68.4%**	*74.0%*	*(5.6)*
Sport of total revenue	**27.8%**	*25.8%*	*2.0*	**27.0%**	*23.0%*	*4.0*
Other of total revenue	**5.9%**	*3.5%*	*2.4*	**4.6%**	*3.0%*	*1.6*
Revenue from the Nordics	**90.3%**	*95.9%*	*(5.6)*	**93.1%**	*95.7%*	*(2.6)*
Revenue from other markets	**9.7%**	*4.1%*	*5.6*	**6.9%**	*4.3%*	*2.6*
EBITDA	**1,565**	4,522	(65.4%)	**10,595**	12,895	(17.8%)
EBITDA margin	**26.8%**	59.3%	*(32.5)*	**44.3 %**	50.5%	*(6.2)*
Adjusted EBITDA[1]	**1,964**	4,522	(56.6%)	**10,994**	14,398	(23.6%)
Adjusted EBITDA margin	**33.6%**	59.3%	*(25.7)*	**46.0%**	56.3%	*(10.3)*
Operating profit/(loss)	**(134)**	3,783	(103.5%)	**6,082**	11,194	(45.7%)
Operating margin	**(2.3%)**	49.6%	*(51.9)*	**25.4%**	43.8%	*(18.4)*
Adjusted Operating profit[1]	**265**	3,783	(93.0%)	**6,482**	12,697	(48.9%)
Adjusted Operating margin	**4.5%**	49.6%	*(45.1)*	**27.1%**	49.7%	*(22.6)*
Other Performance Measures						
New depositing customers (NDC)	**28,002**	35,948	(22.1%)	**108,365**	99,599	8.8%
Full time employees and equivalents	**84**	85	(1.2%)	**84**	85	(1.2%)
Revenue/Full time employees and equivalents (in tEUR)	**70**	90	(22.2%)	**285**	300	(5.3%)
Mobile vs total traffic (visitors)	**67.3%**	61.0%	*6.3*	**64.3%**	60.4%	*3.9*
Net interest-bearing debt	**(836)**	354	(336.3%)	**(836)**	354	(336.3%)
Net debt-to-adjusted EBITDA LTM	**(0.08)**	*0.02*	(407.7%)	**(0.08)**	0.02	(407.7%)
Return on equity, LTM	**11.3%**	8.0%	*3.3*	**11.3%**	8.0%	*3.3*
Equity per share before dilution (EUR)	**1.74**	1.55	12.3%	**1.74**	1.55	12.3%
Equity per share after dilution (EUR)	**1.70**	1.53	11.1%	**1.70**	1.53	11.1%
Earnings per share before dilution (EUR) (IFRS)	**(0.01)**	0.05	(119.9%)	**0.19**	0.15	29.8%
Earnings per share after dilution (EUR) (IFRS)	**(0.01)**	0.05	(119.7%)	**0.19**	0.14	28.9%
Weighted average number of shares, before dilution	**37,413,633**	37,900,633	(1.3%)	**37,661,392**	31,145,061	20.9%
Weighted average number of shares, after dilution	**38,252,292**	38,362,482	(0.3%)	**38,285,282**	31,427,613	21.8%

1. *Adjustments relate to IPO-costs in 2018 and exceptional costs of EUR 0.4 million in Q4 2019 including CEO severance pay and costs related to the relocation of the Group's Danish office.*

CEO COMMENTS

Looking back at 2019 it can easily be described as an eventful and challenging time. Not only for Raketech but also for the affiliation industry and the iGaming sector as a whole.

The Swedish gaming market has been particularly tough which with Raketech's heavy Swedish presence added to our challenge. On a positive note, 2019 was also a year where we made good progress in strengthening our product mix, expanding our geographical footprint as well as our operational capacity. This was achieved through strategic acquisitions, a series of key recruitments and relentless efforts within process improvements to ensure we are ready to grow and scale efficiently. We were also able to, for the first time in the company's history, reach over 100 000 NDCs in a full year.

STRONG REVENUE FINISH AND EXCEPTIONAL EVENTS

We experienced a slow start of the fourth quarter, which was both disappointing and somewhat surprising as it is normally seasonally strong. Especially since our product portfolio showed stable operational performance with increased NDC intake of 5 percent compared to the previous quarter.

Our response to the slow start was to launch a series of targeted paid media efforts, granular site audits, individually tailored operator campaigns, improvements to our top list algorithms and more. This, in combination with a slight general market upswing resulted in a confident finish landing the quarter as a whole just slightly lower than the previous quarter. Revenues in the fourth quarter amounted to EUR 5.8 million, representing a decrease of 23.3 percent compared to the corresponding period last year and 1.8 percent lower compared to previous quarter. Adjusted EBITDA amounted to EUR 2.0 million with a margin of 33.6 percent.

One of the first decisions I took as new CEO was to carefully review our current financials. This highlighted a few exceptional cost items, which in combination with the severance pay to the former CEO resulted in an operating loss of EUR 0.1 million. This is in line with what was announced in early January of this year.

With regards to our revenue development in 2020, January revenues amounted to EUR 2.0 million.

OUTLOOK

We currently experience a transformation of the iGaming industry where a large number of local monopolies are replaced with fewer and global iGaming giants. That in combination with the ongoing digitalization trend, creates a very competitive and complex environment for iGaming operators. To find smarter and more granular marketing solutions that span across multiple iGaming verticals in various channels on numerous jurisdictions is therefore key. We therefore see an increased demand for large, global but granular cooperations and less of the traditional local single channel affiliation models that previously have been dominating our market.

With these insights we have therefore initiated a slightly modified strategic direction for Raketech with the purpose of transforming us from a local/regional "affiliation only" provider into a tech-driven and innovative global performance marketing company. In short, this means that we will use any channel available - from organic comparison websites to social media, retargeting and banner ads - to ensure our customers get the most out of their marketing spend. The performance marketing model furthermore stresses the fact that the better value we generate for our customers the more successful we become, simply due to the fact that our charge is in relation to our performance.

I also look forward to propelling the transformation further by reinstating mergers and acquisitions as a top priority for the Group. We will, however, continue to be selective and therefore only target strategic opportunities that either accelerate our global expansion or add technology, knowledge or products that helps us expand our offering or operational efficiency on a larger scale.

Furthermore, I wish to emphasize that we do not see the market development as a threat but rather as a great opportunity. Raketech is well positioned to benefit from current markets trends and our operational platform is ready to facilitate the transformation in a good way. I do however also appreciate that the general trust in Raketech's ability to predict the future is, to some extent, damaged and I will therefore personally put pride into making 2020 the year when we put performance transparency, strategic clarity and operational execution before anything.

I am honoured to have been given the opportunity and very much looking forward to navigating Raketech and our fantastically talented team through what I believe could be the most exciting times in iGaming so far.

OSKAR MUHLBACH
CEO

FINANCIAL PERFORMANCE DURING THE FOURTH QUARTER OF 2019

REVENUES

Revenues totalled EUR 5.8 million (EUR 7.6 million) in the fourth quarter, a decrease of 23.3% compared to the equivalent period in 2018. NDCs decreased with lower activity, down from a high level in the last quarter of last year, ahead of Swedish regulations.

Revenues outside the Nordics in the fourth quarter are in line with expectations driven primarily by Casumba.

EXPENSES

Direct expenses increased to EUR 1.3 million (EUR 0.9 million) due to increased efforts within paid media for a larger range of our products and increased investments in our product portfolio.

Employee benefit expenses amounted to EUR 1.9 million (EUR 1.0 million). Adjusted for the CEO severance pay, expenses amounted to EUR 1.5 million (EUR 1.0 million). The increase is driven by onboarding of senior management and other qualified employees. Additionally, costs related to employee share incentives impacted specifically the fourth quarter. Full-time employees decreased to 79 (82) and the number of dedicated staff employed as consultants (defined as full time employee equivalents) was 5 (3) at the end of the period.

Other expenses amounted to EUR 1.2 million (EUR 1.2 million), in line with the equivalent period in 2018.

Depreciation and amortisation amounted to EUR 1.7 million (EUR 0.7 million). The increased depreciation was primarily attributable to the acquisition of Casumba Media Ltd in the third quarter of 2019. Included in the depreciation and amortisation is also the impairment of goodwill of EUR 0.3 million (see note 6 for further disclosures).

PROFITABILITY

Reported EBITDA amounted to EUR 1.6 million (EUR 4.5 million), corresponding to an EBITDA margin 26.8% (59.3%).

Adjusted for exceptional costs related to the CEO severance pay and relocation of the Danish office, adjusted EBITDA amounted to EUR 2.0 million (EUR 4.5 million) corresponding to an adjusted EBITDA margin of 33.6% (59.3%). The drop in EBITDA is driven by lower revenues and higher costs through investments in our organisation and product mix. An increased loss allowance of EUR 0.3 million related to trade receivables also impacted the quarter.

The loss for the period amounted to EUR 0.3 million (profit of EUR 1.7 million), negatively affected by a write down of a goodwill of EUR 0.3 million. Adjusted for CEO severance pay and relocation of the Danish office, profit for the period amounted to EUR 0.1 million (EUR 1.7 million).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 1.8 million (EUR 5.6 million). The decrease in cash flow from operating activities is mainly caused by the decreased operating profit.

Cash flow from investing activities amounted to EUR -1.1 million (EUR -2.7 million) as a result of the settlement of earn-outs which crystallised during the quarter.

Cash flow from financing activities amounted to EUR -0.1 million (EUR -15.9 million). The improvement in the cash flow from financing activities is affected by the repayments on borrowings which took place during the comparative period. No repayments on borrowings were made during the current period.

Cash and cash equivalents at the end of the quarter amounted to EUR 4.2 million (EUR 7.5 million).

FINANCIAL PERFORMANCE DURING THE FULL YEAR OF 2019

REVENUES AND OTHER NON-OPERATING INCOME

Revenues totalled EUR 23.9 million (EUR 25.6 million) in the year, a decrease of 6.5% compared to 2018. Organic growth amounted to -11.8% (29.9%). NDCs increased by 8.8% with improved underlying performance. However, revenues were affected negatively by declining player values in Sweden during 2019.

Other non-operating income of EUR 2.3 million (nil) relates to a related party liability that was waived in the first quarter of 2019.

EXPENSES

Direct expenses increased to EUR 3.6 million (EUR 2.1 million) due to increased investments in our product portfolio, including Rapidi and intensified efforts in direct marketing spend.

Employee benefit expenses increased by 7.4% to EUR 5.2 million (EUR 4.8 million). Adjusted for exceptional costs (CEO severance pay of EUR 0.4 million), employee benefit expenses amounted to EUR 4.8 million which is in line with last year. Full-time employees decreased to 79 (82) and the number of dedicated staff employed as consultants was 5 (3) at the end of the year.

Other expenses amounted to EUR 4.6 million (EUR 4.2 million), driven primarily by an increased loss allowance related to trade receivables in 2019.

Depreciation and amortisation amounted to EUR 4.5 million (EUR 1.7 million). The increased depreciation was primarily attributable to the acquisition of Casumba Media Ltd and the upward adjustments to amounts committed on acquisition relating to CasinoFeber. Included in the depreciation and amortisation is the impairment of goodwill of EUR 0.3 million (see note 6 for further disclosures).

PROFITABILITY

Reported EBITDA amounted to EUR 10.6 million (EUR 12.9 million) corresponding to an EBITDA margin of 44.3% (50.5%).

Adjusted EBITDA amounted to EUR 11.0 million (EUR 14.4 million) corresponding to an EBITDA margin of 46.0% (56.3%) impacted by lower revenues and an increased cost base driven by accelerated investments in the product portfolio and intensified efforts in paid media. An increased loss allowance for trade receivables also affected EBITDA in 2019.

Profit for the year amounted to EUR 7.2 million (EUR 4.6 million) and was positively impacted by other non-operating income of EUR 2.3 million. Profit for the period adjusted for non-operating income and exceptional costs amounted to EUR 5.3 million (EUR 6.1 million).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 11.5 million (EUR 11.2 million) and is in line with the previous year.

Cash flow from investing activities amounted to EUR -8.7 million (EUR -16.5 million). This relates to earn out payments and the acquisition of TVmatsit on 26 April 2019 and Casumba Media Ltd on 30 August 2019.

Cash flow from financing activities amounted to EUR -6.1 million (EUR 9.7 million) mainly driven by the final settlement of EUR 7.7 million of the credit facility to Ares Management and buy back of treasury shares for EUR 0.8 million.

Cash and cash equivalents at the end of December 2019 amounted to EUR 4.2 million (EUR 7.5 million).

OTHER

RAKETECH IN BRIEF

Raketech is an online affiliate and content marketing Group that was founded to guide and inspire people to the best available services. Regardless of the chosen vertical, which can vary from financial comparison products, engaging online sports communities and reliable casino guides, we provide customer-tailored solutions to partners worldwide.

We started in 2010 as an online poker affiliate that focused on lead generation for the Scandinavian market. Today, we have evolved into a digital marketing specialist that delivers high-quality media products that serve our users globally. Our talented team operates products across multiple regions in the online casino, sports betting, TV sports, consumer finance and cryptocurrency industries, ensuring they are always in-line with the latest technology trends and optimised for the best user experience.

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. The buy-back programme of own shares initiated by Raketech in June 2019 was terminated during November 2019 until further notice (please see further information in note 8). The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

SIGNIFICANT RISKS AND UNCERTAINTIES

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

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

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

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

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.

Full details on Raketech related risks are published in the Annual Report.

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 DATES

9 April 2020
Annual report 2019

13 May 2020
Interim report Jan-Mar 2020

15 May 2020
Annual General Meeting

19 August 2020
Interim report Apr-Jun 2020

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	Oct - Dec 2019	Oct - Dec 2018	Jan - Dec 2019	Jan - Dec 2018
Total Revenue	3	**5,845**	7,620	**23,906**	25,556
Direct costs relating to fixed fees and commission revenue		**(1,260)**	(931)	**(3,551)**	(2,142)
Employee benefit expense		**(1,868)**	(973)	**(5,200)**	(4,840)
Depreciation and amortisation		**(1,699)**	(739)	**(4,512)**	(1,701)
IPO related costs		**-**	-	**-**	(1,503)
Other operating expenses		**(1,152)**	(1,194)	**(4,561)**	(4,176)
Total operating expenses		**(5,979)**	(3,837)	**(17,824)**	(14,362)
Operating profit/(loss)		**(134)**	3,783	**6,082**	11,194
Other non-operating income	9	**-**	-	**2,282**	-
Finance costs		**(226)**	(1,956)	**(958)**	(6,401)
Profit/(loss) before tax		**(360)**	1,827	**7,406**	4,793
Tax (expense)/credit		**18**	(91)	**(256)**	(239)
Profit/(loss) for the period/ year - Total comprehensive income		**(342)**	1,736	**7,150**	4,554
Profit attributable to:					
Equity holders of the Parent Company		**(329)**	1,835	**7,237**	4,708
Non-controlling interest		**(13)**	(99)	**(87)**	(154)
Earnings per share attributable to the equity holders of the parent during the period/year (expressed in Euro per share)					
Earnings per share before dilution		**(0.01)**	0.05	**0.19**	0.15
Earnings per share after dilution		**(0.01)**	0.05	**0.19**	0.15

The notes on pages 12 to 15 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousands	Notes	31 Dec 2019	31 Dec 2018
Assets			
Non-current Assets			
Goodwill	6	-	344
Intangible assets	6	73,407	65,673
Right of use assets	4	318	-
Property, plant and equipment		134	241
Total non-current assets		73,859	66,258
Current assets			
Trade and other receivables		4,150	4,323
Cash and cash equivalents		4,191	7,526
Total current assets		8,341	11,849
TOTAL ASSETS		82,200	78,107
Equity & Liabilities			
Capital and reserves			
Share capital		76	76
Share premium		39,387	39,387
Other reserves		428	1,254
Retained earnings		25,115	17,948
Equity attributable to owners of the Company		65,006	58,665
Non-controlling Interests		55	67
Total equity		65,061	58,732
Liabilities			
Non-current liabilities			
Borrowings	5	3,354	7,880
Deferred tax liability		1,095	837
Lease liabilities	4	152	-
Amounts committed on acquisition	7	5,447	4,039
Total non-current liabilities		10,048	12,756
Current liabilities			
Amounts committed on acquisition	7	5,235	3,046
Lease liabilities	4	167	-
Trade and other payables		1,673	3,573
Current tax liabilities		16	-
Total current liabilities		7,091	6,619
Total liabilities		17,139	19,375
TOTAL EQUITY AND LIABILITIES		82,200	78,107

The notes on pages 12 to 15 are an integral part of these condensed consolidated financial statements.

The condensed consolidated financial statements on pages 8 to 15 were approved for publication by the Board of Directors on 19 February 2020 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	Note	*Share Capital*	*Share Premium*	*Other Reserves*	*Retained Earnings*	*Total*	*NCI*	*Total Equity*
Balance as at 1 January 2019		76	39,387	1,254	17,948	58,665	67	58,732
Total comprehensive income for the year								
Profit for the year		**-**	**-**	**-**	**7,150**	**7,150**	**-**	**7,150**
Transactions with owners of the Company								
Equity-settled share-based payments		-	-	189	-	189	-	189
Acquisition of treasury shares	**8**	-	-	(830)	-	(830)	-	(830)
Acquisition of NCI		-	-	(185)	-	(185)	5	(180)
Disposal of NCI without a change in control		-	-	-	17	17	(17)	-
Total transactions with owners of the Company		**-**	**-**	**(826)**	**17**	**(809)**	**(12)**	**(821)**
Balance as at 31 December 2019		**76**	**39,387**	**428**	**25,115**	**65,006**	**55**	**65,061**

EUR thousands	*Share Capital*	*Share Premium*	*Other Reserves*	*Retained Earnings*	*Total*	*NCI*	*Total Equity*
Balance as at 1 January 2018	2	1,000	1,204	13,460	15,666	-	15,666
Total comprehensive income for the year							
Profit 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 interest	-	-	-	(66)	(66)	67	1
Total transactions with owners of the Company	**74**	**38,387**	**50**	**(66)**	**38,445**	**67**	**38,512**
Balance as at 31 December 2018	**76**	**39,387**	**1,254**	**17,948**	**58,665**	**67**	**58,732**

The notes on pages 12 to 15 are an integral part of these condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousands	Notes	Oct - Dec 2019	Oct - Dec 2018	Jan - Dec 2019	Jan - Dec 2018
Cash flows from operating activities					
Profit before tax		**(360)**	1,827	**7,406**	4,793
Adjustments for:					
Depreciation, amortisation & impairment		**1,699**	739	**4,512**	1,701
Provision for bad debts		**260**	109	**890**	447
Net finance cost		**226**	1,956	**958**	6,401
Equity-settled share-based payment transactions		**69**	(25)	**189**	121
Waiver of related party liability	**9**	**-**	-	**(2,282)**	-
Loss on disposal of property, plant and equipment		**-**	7	**3**	8
		1,894	4,613	**11,676**	13,471
Net income tax received/(paid)		**-**	689	**-**	(194)
Changes in:					
Trade and other receivables		**(351)**	8	**(573)**	(2,094)
Trade and other payables		**299**	274	**359**	35
Net cash from operating activities		**1,842**	5,584	**11,462**	11,218
Cash flows from investing activities					
Acquisition of property, plant and equipment		**(3)**	1	**(28)**	(34)
Acquisition of intangible assets and subsidiaries		**(1,124)**	(2,667)	**(8,691)**	(16,503)
Proceeds from sale of property, plant and equipment		**-**	-	**3**	-
Net cash used in investing activities		**(1,127)**	(2,666)	**(8,716)**	(16,537)
Cash flows from financing activities					
Net proceeds from drawdowns/repayments on borrowings		**-**	(15,810)	**(4,384)**	(22,627)
Proceeds from issue of share capital, net of transaction costs		**-**	-	**-**	36,264
Acquisition of treasury shares		**-**	-	**(830)**	-
Acquisition of NCI		**-**	1	**(180)**	2
Lease payments	**4**	**(40)**	-	**(172)**	-
Interest paid		**(69)**	(90)	**(515)**	(3,894)
Net cash (used in)/from financing activities		**(109)**	(15,899)	**(6,081)**	9,745
Net increase/(decrease) in cash and cash equivalents		**606**	(12,981)	**(3,335)**	4,426
Cash and cash equivalents at the beginning of the period/year		**3,585**	20,507	**7,526**	3,100
Cash and cash equivalents at the end of the period/year		**4,191**	7,526	**4,191**	7,526

The notes on pages 12 to 15 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. These condensed financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting* and the 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 financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2018 which is publicly available. The only exception is the treatment of 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 and 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 thousand Euro (EUR) or as otherwise indicated. Amounts or figures in parenthesis indicate comparative figures for the corresponding period last year. The 2018 annual report is available on Raketech's website.

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

The Group has entered into a long-term office lease, which under IAS 17 was classified as an operating lease and recognised as such until the end of year 31 December 2018. 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, which at 31 December 2019 amounted to EUR 0.3 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 200 thousand for the year ending 31 December 2019 are replaced by a notional interest of EUR 28 thousand and depreciation of EUR 173 thousand. This results in an increase of EBITDA of EUR 200 thousand for the full year 2019. The increase in EBITDA is due to the amortisation of the right-of-use assets and interest on the lease payments, which in line with IFRS 16, are excluded from this measure. The operating lease payments, according to IAS 17, were previously included in EBITDA. Rental payments under IFRS 16 are allocated between interest payments and a reduction of the lease liability, with a corresponding impact on the Group's statement of cash flow from financing activities. Further impact of IFRS 16 is disclosed in note 4.

In relation to treasury shares that are disclosed in note 8, where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) are deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

2.1 CRITICAL ACCOUNTING ESTIMATES – IMPAIRMENT ASSESSMENT

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

In calculating the net present value of the future cash flows, certain estimates are required to be made in respect of highly uncertain matters, including management's expectation of growth in revenues. These estimates are considered to be critical particularly in light of current market circumstances. The Group will continue to carry out regular impairment testing and does not consider that the intangible assets as at 31 December 2019 are impaired.

2.1 CRITICAL ACCOUNTING ESTIMATES – IMPAIRMENT ASSESSMENT – CONTINUED

Further, IFRS 9 also requires impairment considerations to be performed for trade receivables and cash and cash equivalents on an ongoing basis. Judgement for these are highly subjective and need to be done in the light of the payment patterns and current market conditions. Continued assessments are being done by management of the adequacy of the provisions to assess the carrying amount of trade receivables and cash and cash equivalents.

3 REVENUES

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

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

EUR thousands	***Oct – Dec 2019***	***Oct – Dec 2018***	***Change***	***Jan – Dec 2019***	***Jan – Dec 2018***	***Change***
Revenue	***5,845***	7,620	(23.3%)	***23,906***	25,556	(6.5%)
- Commissions[1]	**4,790**	6,586	(27.3%)	**19,916**	22,017	(9.5%)
- Flat fees	**1,055**	1,034	2.0%	**3,990**	3,539	12.7%

[1] In the total amount for commissions there is included the revenues from Rapidi, which are classified as revenue share.

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. The reclassification following IFRS 16, is therefore recognised in the opening balance of 1 January 2019 as a lease liability and a right-of-use asset.

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

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

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
Change in operating lease commitment	(84)
Notional interest charge	28
Payments[1]	(200)
Leasing liability as at 31 December 2019[2]	**319**

[1] Payments relate to rental costs replaced by notional interest and amortisation.
[2] Of the total leasing liability of EUR 319 thousand, EUR 152 thousand is long term and EUR 167 thousand is short term lease liabilities.

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

EUR thousands	***Right-of-use asset***
Right-of-use asset at 1 January 2019	575
Change in operating lease commitment	(84)
Amortisation charge	(173)
Right-of-use asset as at 31 December 2019	**318**

5 BORROWINGS

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

On 4 March 2019, Raketech repaid the outstanding debt of EUR 8.0 million (including accrued interest) from its previous loan facility with Ares Management.

For the period January to December 2019, finance costs, in relation to borrowings, have decreased to EUR 0.4 million in comparison to the same period last year (EUR 4.9 million) due to the lower outstanding loan amount and interest rate.

6 INTANGIBLE ASSETS

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Management has concluded that the acquired websites and domains are a single cash-generating unit for the purposes of IAS 36. This conclusion is based on the fact that the Group monitors and manages its operations as one business unit. For further description, please refer to the Annual Report.

EUR thousands	Domains and websites	Player databases	Other intellectual property	Software	Goodwill	Total
Cost at 1 January 2019	60,260	3,666	3,683	329	344	68,282
Additions	3,724	1,670	5,970	233	-	11,597
Cost as at 31 December 2019	**63,984**	**5,336**	**9,653**	**562**	**344**	**79,879**
Accumulated amortisation 1 January 2019	-	(1,559)	(456)	(250)	-	(2,265)
Amortisation charge	-	(1,499)	(2,269)	(95)	-	(3,863)
Impairment	-	-	-	-	(344)	(344)
Amortisation and impairment as at 31 December 2019	**-**	**(3,058)**	**(2,725)**	**(345)**	**(344)**	**(6,472)**
Carrying amount as at 31 December 2019	**63,984**	**2,278**	**6,928**	**217**	**-**	**73,407**
Carrying amount as at 31 December 2018	60,260	2,107	3,227	79	344	66,017

As already disclosed in Note 2, the Group's conclusion is that the recoverable amount is in excess of the intangible assets' carrying amount disclosed above. The assessment includes cash flows projections reflecting actual income over current period, expected cash flows going forward, growth rate and a pre-tax discount rate, which is based on the Group's pre-tax weighted average cost of capital. The directors are satisfied that the judgments made are appropriate to the circumstances relevant to these assets and their cash-generation.

The only exception is the recoverable amount of goodwill, which is now fully impaired. The impairment of goodwill relates to Shogun Media, an acquisition completed in June 2018 that was carried out predominantly for the know-how linked to paid media in Sweden, an acquisition completed in June 2018. Taking into account the uncertainty as to when Google's paid media channel will open-up to advertisers, the Board of Directors has decided to write down the goodwill value of EUR 0.3 million during the fourth quarter of 2019.

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 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.

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

The earn-out relating to the casino affiliate sites of Casinofeber was revised upwards in April 2019 with an amount of EUR 1.7 million and in December 2019 with an additional EUR 2.9 million, due to improved performance of the acquired assets. The contingent consideration related to Casinofeber is uncapped.

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

7 AMOUNTS COMMITTED ON ACQUISITION – CONTINUED

EUR thousands	*Oct - Dec 2019*	*Oct - Dec 2018*	*Jan - Dec 2019*	*Jan - Dec 2018*
Opening balance	**8,759**	9,765	**7,085**	1,918
Acquisitions during the period/year	**-**	-	**3,676**	13,517
Settlements/setoffs	**(1,069)**	(2,117)	**(5,127)**	(7,315)
Notional interest charge	**150**	121	**545**	309
Adjustments arising as a result of a change in estimates	**2,842**	(684)	**4,503**	(1,344)
Closing balance	**10,682**	7,085	**10,682**	7,085

8 TREASURY SHARES

The programme to buy-back shares, initiated by the Board of directors after the authorisation at the Annual General Meeting held on 8 May 2019, is terminated until further notice after the decision taken by the Board of Directors during the fourth quarter of 2019. The purpose of the buy-back was to decrease Raketech's capital and a total of 487,000 shares, equivalent to 1.3% of the total number of shares and votes in the company, were repurchased as part of the buy-back programme.

The total price for the repurchased shares under the programme amounts to SEK 8.8 million.

The buy-back programme, authorised at the AGM of 2019, was carried out in accordance with the Market Abuse Regulation (EU) 596/2014 ("MAR") and the Commission Delegated Regulation (EU) 2016/1052 ("Safe Harbour Regulation"). The total number of shares issued by Raketech amounts to 37,900,633, out of which Raketech held no own shares at the date of the AGM 2019.

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 related parties during the respective periods:

EUR thousands	*Oct - Dec 2019*	*Oct - Dec 2018*	*Jan - Dec 2019*	*Jan - Dec 2018*
Revenue	**564**	188	**1,615**	1,361
Expenses				
Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors	**792**	466	**2,427**	1,837
Amounts owed to related parties[1]	**109**	2,290	**109**	2,290
Amounts owed by related parties	**171**	-	**171**	-

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

EUR thousands	Oct - Dec 2019	Oct - Dec 2018	Jan - Dec 2019	Jan - Dec 2018
Other income	-	-	-	2,982
Total revenue	-	-	-	2,982
Employee benefit expense	(468)	(125)	(860)	(331)
IPO related costs	-	-	-	(90)
Other operating (expenses)/income	(17)	(22)	(34)	87
Total operating expenses	(485)	(147)	(894)	(334)
Operating profit/(loss)	(485)	(147)	(894)	2,648
Finance costs	(71)	-	(227)	-
Profit/(loss) before tax	(556)	(147)	(1,121)	2,648
Tax expense	-	-	-	(803)
Profit/(loss) for the period/year – total comprehensive income	(556)	(147)	(1,121)	1,845

CONDENSED STATEMENT OF FINANCIAL POSITION – PARENT COMPANY

EUR thousands	*31 Dec 2019*	*31 Dec 2018*
Assets		
Non - current assets		
Investment in subsidiaries	**3,152**	3,152
Total non-current assets	**3,152**	3,152
Current assets		
Trade and other receivables	**42,007**	39,576
Cash and cash equivalents	**189**	980
Total current assets	**42,196**	40,556
TOTAL ASSETS	**45,348**	43,708
Equity & Liabilities		
Capital and reserves		
Share capital	**76**	76
Share premium	**41,603**	41,603
Other reserves	**(520)**	120
Retained earnings	**724**	1,845
Total Equity	**41,883**	43,644
Liabilities		
Non-current liabilities		
Borrowings	**3,354**	-
Total non-current liabilities	**3,354**	-
Current liabilities		
Trade and other payables	**111**	64
Total current liabilities	**111**	64
Total liabilities	**3,465**	64
TOTAL EQUITY AND LIABILITIES	**45,348**	43,708

ASSURANCE

The Board of Directors and the CEO affirm that this 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, 19 February 2020

OSKAR MUHLBACH
CEO

CHRISTIAN LUNDBERG
Chairman of the Board

JOHAN SVENSSON
Board member

FREDRIK SVEDERMAN
Board member

ERIK SKARP
Board member

ANNIKA BILLBERG
Board member

Presentation for investors, analysts and the media: CEO Oskar Muhlbach and CFO Mans Svalborn will present the report and answer questions at 9.00 a.m. CET on 19 February 2020.

The presentation will be held in English and can be followed online via: https://tv.streamfabriken.com/raketech-q4-2019

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 8.00 a.m. CET on 19 February 2020.

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 exceptional costs
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 exceptional costs
ADJUSTED OPERATING PROFIT	Operating profit adjusted for IPO expenses and other exceptional costs
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/year
FULL TIME EMPLOYEES AND EQUIVALENTS	Employees and external resources at the end of the period/year, 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/year in relation to adjusted LTM EBITDA
NET INTEREST-BEARING DEBT	Interest-bearing debt at the end of the period/year, excluding earn-outs from acquisitions, minus cash and cash equivalents at the end of the period/year
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/year as a percentage of revenue in the previous accounting period/year
TRAFFIC	Relates to the number of visitors/users of Raketech's assets

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