



# Q1

Report Presentation



# Presenters



**Oskar Mühlbach**  
Chief Executive Officer



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Chief Financial Officer

# Presentation agenda

01 **QUARTERLY HIGHLIGHTS**

02 **FINANCIALS Q1 2020**

03 **KEY TAKEAWAYS**

04 **Q&A**

A blurred background image of a business meeting. Several people are seated around a table, and one person is standing and presenting. The image is dark and out of focus.

# Quarterly highlights

# Q1 Financial highlights

- Continued strong and stable new player (NDC) intake
- Lead Republik acquisition adding appr. 300k to revenues
- Sports revenues lowered due to Covid-19
- Tough comparison due to Swedish re regulation last year
- April revenues amounted to EUR 2.4m

**REVENUE**  
**EUR 6.5m**

YoY +1.4%  
QoQ +11.9%

**EBITDA**  
**EUR 2.6m**

YoY -24.7%  
QoQ +33.8%

**ORGANIC  
GROWTH**

YoY -10.7%  
QoQ +6.7%

**NDC**  
**32,278**

YoY +12.8%  
QoQ +15.3%

# Q1 Market Highlights

## COVID -19

- 100% remote workforce without impacting business performance
- Sports events cancelled affecting sports revenues negatively
- Parts of sports betting to come back in Q2 could be a positive push
- Financial recession likely to impact gambling behavior
- Shift from offline to online

## GOOGLE ALGORITHM UPDATES

- 1 major update during the quarter
- General positive effect for Raketech

## REGULATORY VOLATILITY

- Restrictions on several markets
- Increased restrictions in Sweden

# Q1 Operational Highlights

## LEAD REPUBLIK ACQUISITION

- Two new strategically important product areas
- Substantial revenues from outside the Nordics
- Integration going according to plan

## SENIOR MANAGEMENT TEAM UPDATE

- New COO Oscar Karlsten with extensive iGaming affiliation knowledge as well as background working for Google, and TocaBoca.
- BI, security and automation director role assumed by previous CTO Jonas Petersson.

## AI POWERED TOP LIST

- Machine learning algorithms developed in-house
- Implemented on 10 sites with promising results

## GEO EXPANSION

- Additional assets acquired in Denmark, Norway and India to be run by central operations.
- Indiana license acquired
- Us entity in place

# LEAD REPUBLIK

## BASICS

- Founded in 2016
- 8 employees
- Offices in Malta, South Africa and the UK
- Traffic from more than 20 countries
- Roughly EUR 0,7-1.0m per quarter revenues

## PRIMARY PRODUCT: AFFILIATION NETWORK

- Sales agent for many small affiliates
- Mostly paid media and social but also organic
- All admin and commercials handled by Lead Republik
- Traditional commission/CPA structure

## SECONDARY PRODUCT: EMBEDDED SERVICES

- Affiliation management on behalf of operators
- 100% transparent pricing based on overall success/revenues

## STRATEGIC FIT

- Flagship product
- New markets
- Additional product dimensions
- Increases casino vertical further

# AI POWERED TOP LISTS

## TRADITIONAL AFFILIATION TOP LIST

- Manually updated and administratively heavy
- Reactive updates
- "Black box"; low or no transparency
- Trust issues, one sided incentives

## AI BASICS

- Instructed to optimize click value
- Data feedback loop - Machine learning
- Data provided from multiple sources

## AI BENEFITS

- Less admin and risk for manual errors
- Secures up to date content on multiple sites
- Premieres the best performers
- Strengthens organic rankings
- Transparency and win win

# Financials Q1 2020

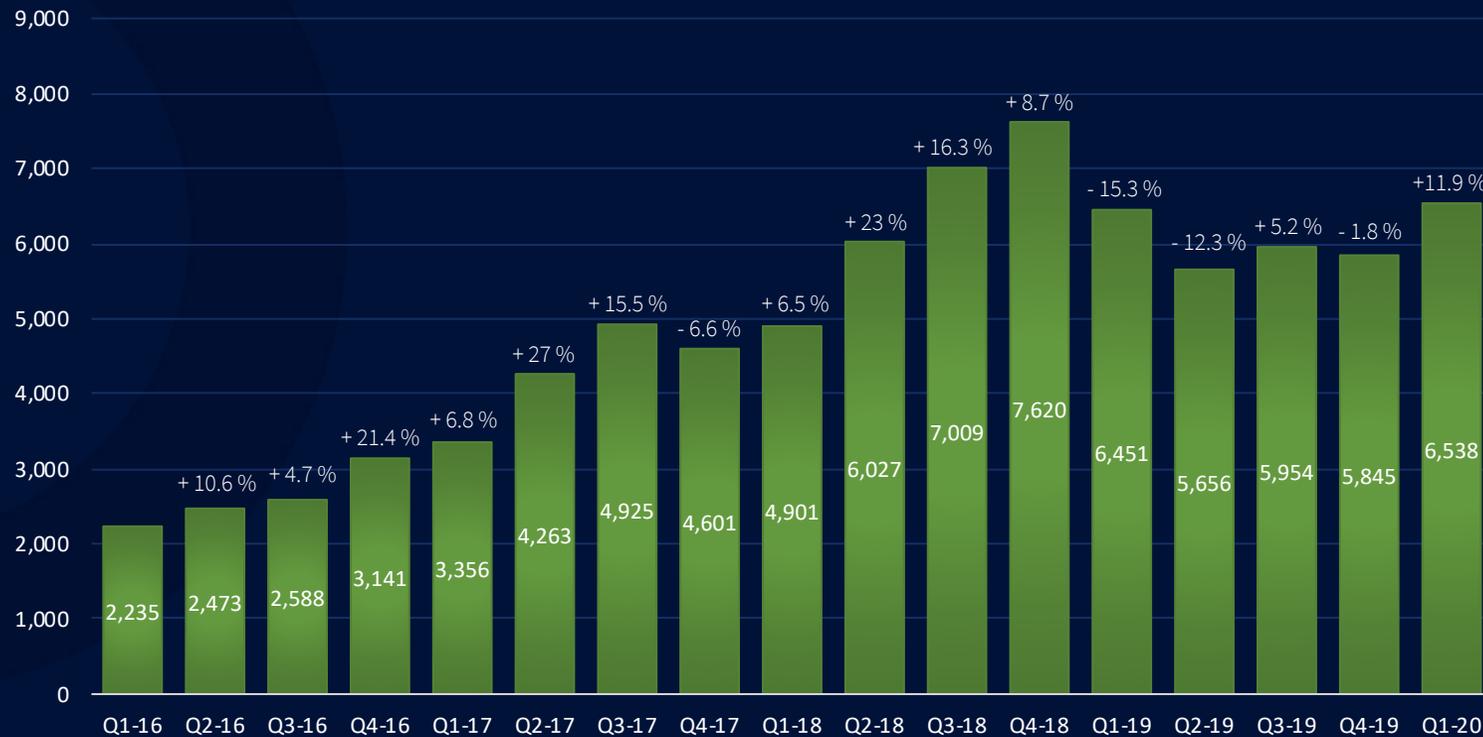
The background of the slide is a dark blue, semi-transparent image. It features a piggy bank on the right side and several stacks of coins on the left side. The overall aesthetic is clean and professional, suitable for a financial report.

# Revenue development

“Stable quarter financially with growth both compared to last year and previous quarter”

CAGR last 3 years **25%**

Revenue (Eur 000)

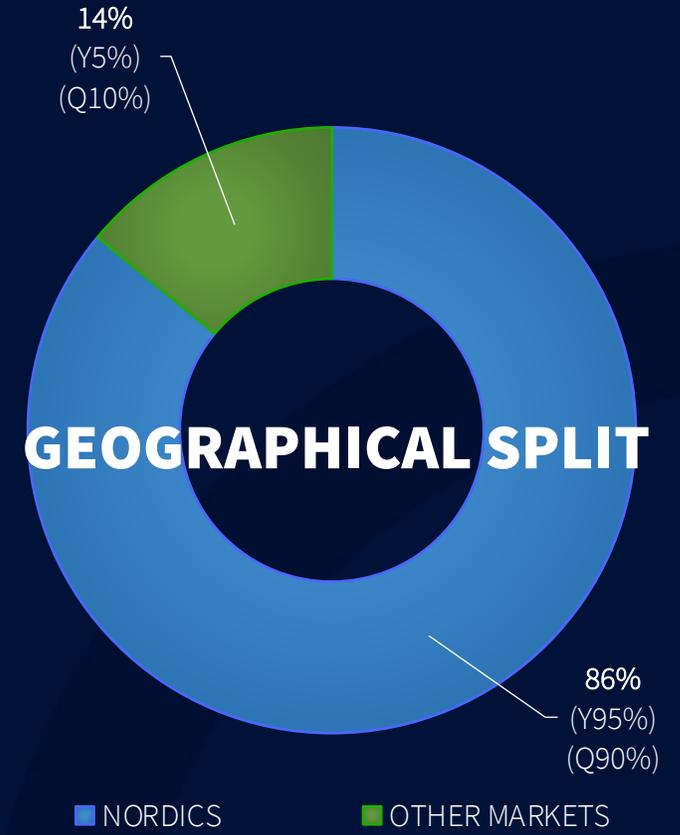
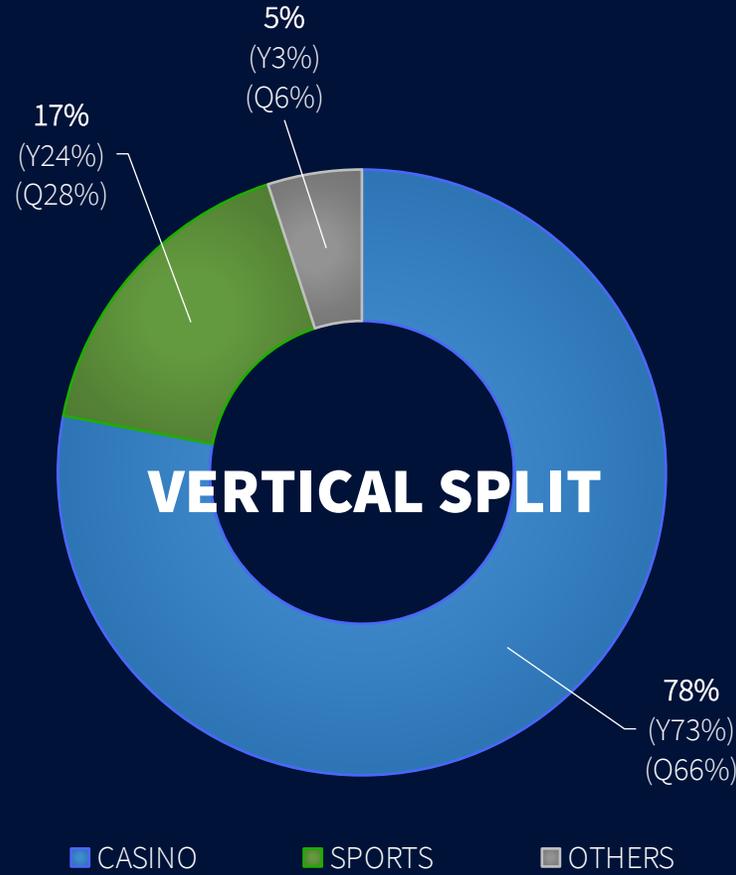
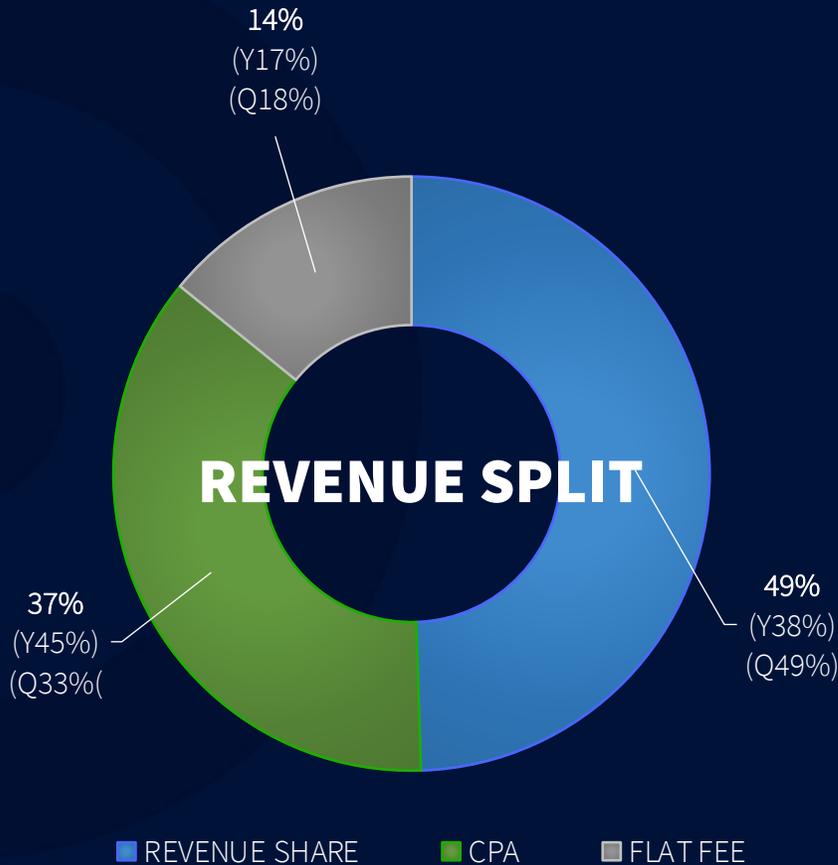


- Revenue growth of 1.4% compared to Q1 last year
- Revenues increase with 11.9% from Q4 2019
- Month on month growth during Q1

# Revenue split

“Revenues outside of the Nordics expected to reach 20% in the upcoming quarter”

Y: Q1 2019  
Q: Q4 2019



# EBITDA to Net profit bridge Q1

“Non-cash flow effect items below EBITDA”

(Eur 000)



- Only item below EBITDA with cash flow effect relate to loan facility interest expense, which amount to EUR 0.1m during the quarter
- Depreciation amounts to EUR 1.3m for the quarter
- Reported net profit for the quarter amounted to EUR 1.1m

# Statement of financial position

## BALANCE SHEET | 31 March 2020

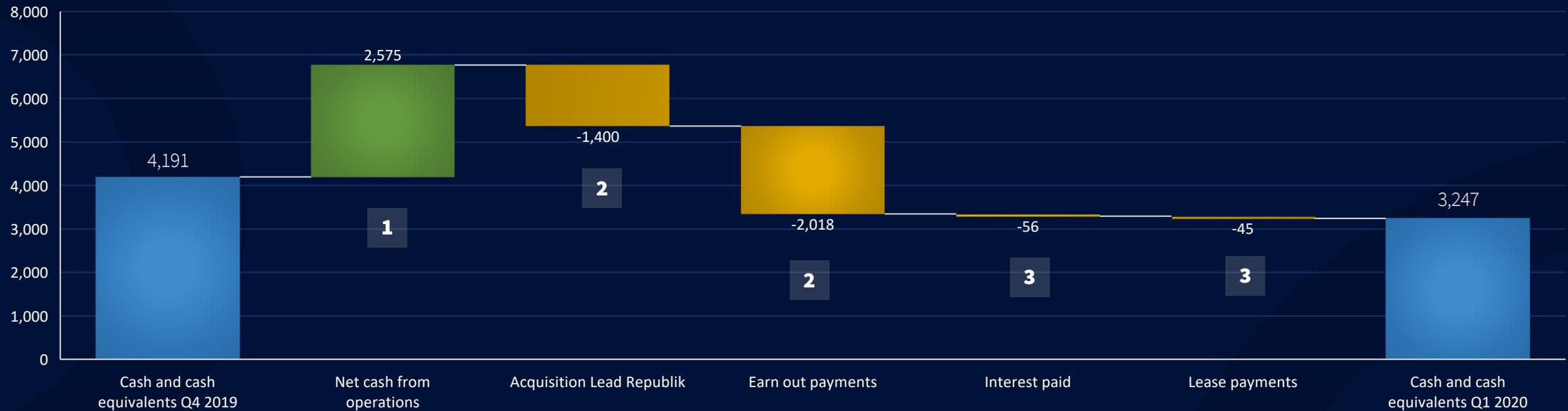
- Total assets amounted to EUR 82m, consisting mainly of Intangible assets primarily related to websites, domains, intellectual property and player databases
- Cash and Cash equivalents amounted to EUR 3.2m at the end of the quarter
- Borrowings related to the utilized amount of the loan facility from Swedbank amounted to EUR 3.4m
- Amounts committed of EUR 9.6m consist of the expected earn out liabilities



# Cash flow bridge Q1 2020 vs Q4 2019

*“Acquisition of Lead Republik impacting the quarter but positive underlying net cash flow”*

(Eur 000)



**1**

Stable operational cash flow during the quarter, driven by higher profitability

**2**

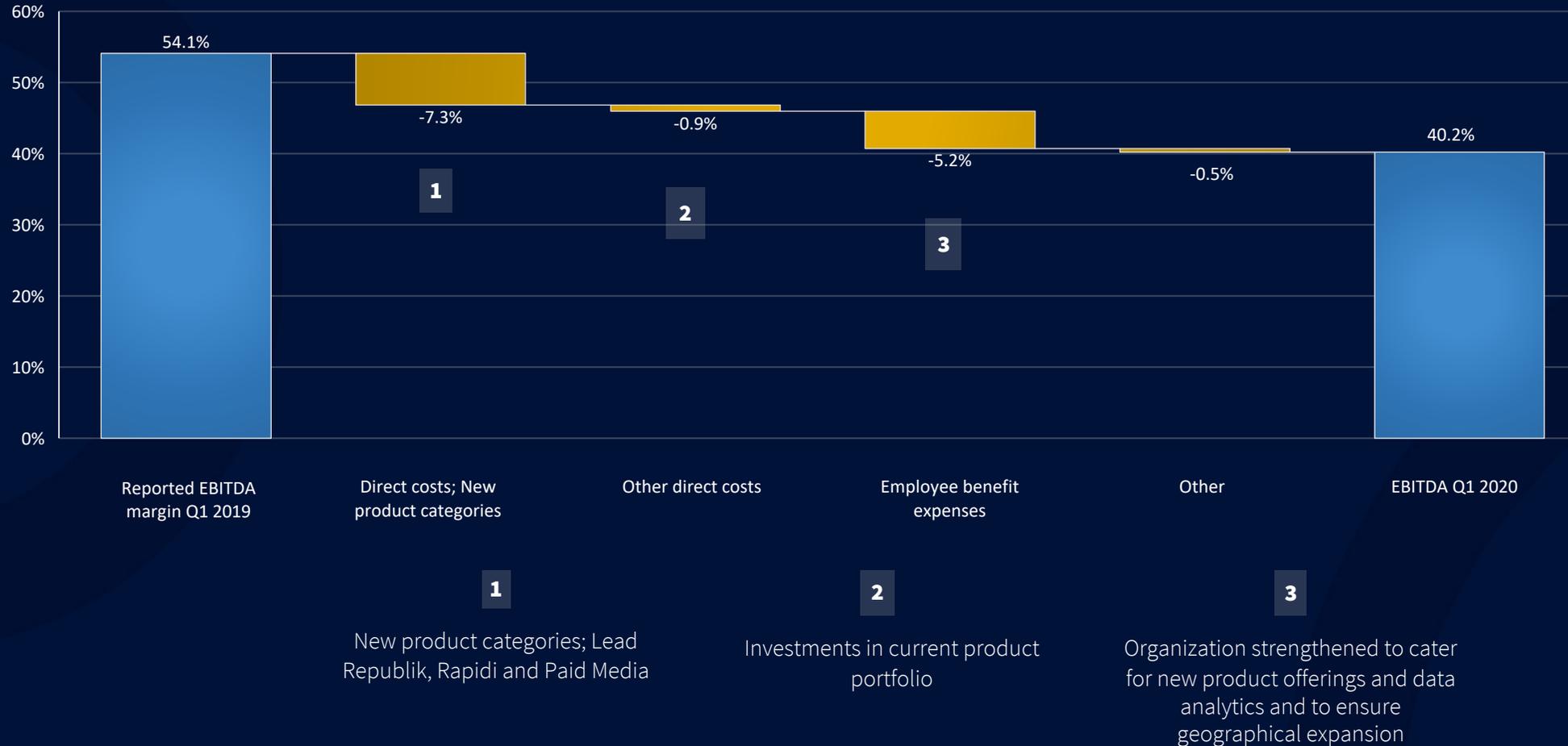
Investing activities relate to the acquisition of Lead Republik and earn-outs during the quarter

**3**

Interest and lease payments during the quarter amounted to EUR 0.1m

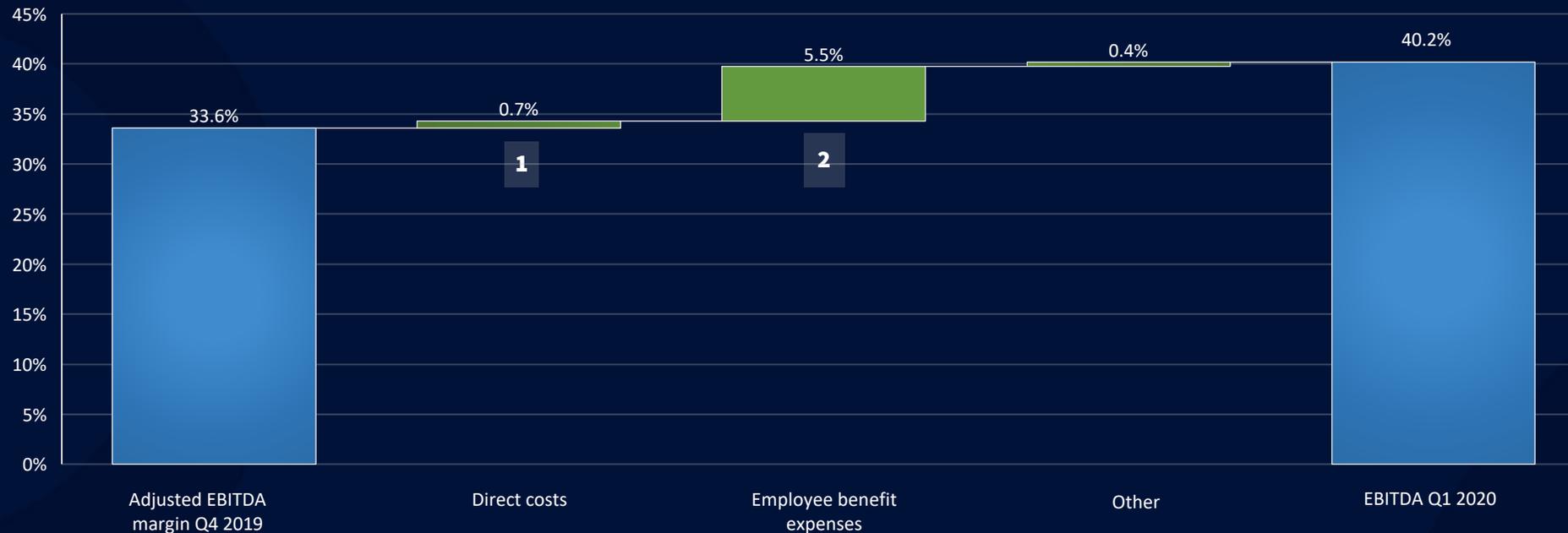
# EBITDA – margin Q1 2019 vs Q1 2020

*“New product categories and a strengthened organization, in line with operational goals, lowers the EBITDA margin”*



# EBITDA – margin Q4 2019 vs Q1 2020

*“Stable, scalable and plateaued cost base with higher revenues, improves EBITDA margin”*



**1**  
Stable direct costs partly set off by new product category; Lead Republik

**2**  
Slightly lower personnel costs with higher revenues improves EBITDA margin

# Key takeaways

# Key takeaways

## FINANCIALS

- Q1 revenues up 1.4% YoY and 11.9% QoQ
- Sports revenues negatively impacted in late March due to Covid -19
- Stabilized cost level for personnel
- Continued high and stable NDC intake
- April revenues of EUR 2.4m with EBITDA margin over 40%

## EVENTS & MILESTONES

- Lead Republik acquired and integration progressing as expected
- AI powered top lists implemented
- COO Oskar Karlsten recruited

## OUTLOOK & WAY FORWARD

- Volatility expected due to Covid-19
- Potentially negative effects from legislative changes in Sweden
- Sports betting likely to return soon
- Continue to deliver on strategy and strategic goals

## PROGRESS ON STRATEGIC OPERATIONAL GOALS

- 3 continents
- 4-5 Flagship products
- 4-6 product categories
- <60% of revenues from single vertical

# Q&A

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