



# RAKETECH

# PRESENTERS



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CEO



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CFO

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**WORKING TOGETHER TO SHAPE  
THE FUTURE OF AFFILIATION**

# QUARTERLY FINANCIAL HIGHLIGHTS

*“Growth driven by high traffic volumes”*

## REVENUES

EUR 6.5m

*Total revenues amount to EUR 8.7m*

YoY: **31.6%**

Organic growth: 21.5%

## EBITDA (ADJ.)

EUR 3.5m

YoY: **38.3%**

EBITDA-margin: 54.1%

## NDCs

28 607 NDCs

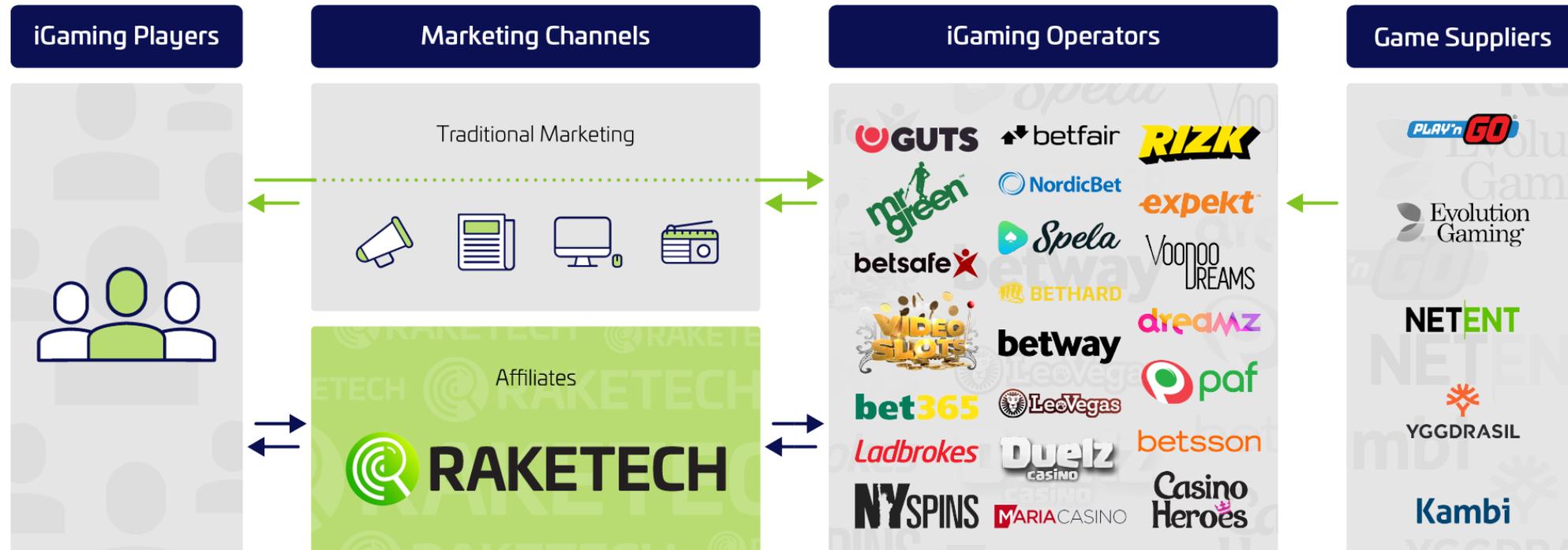
YoY: **76.1%**



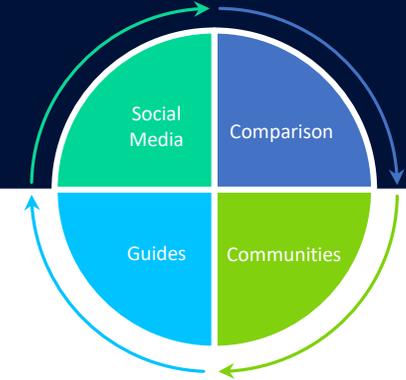
# ABOUT RAKETECH

# WHAT WE DO

*"Consumers want to compare"*



# WHAT MAKES US UNIQUE



- Diversified business model with four key product categories
- Established core assets combined with structured approach to innovation
- Win-win partnerships through two-folded success strategy
- Data-driven
- Responsible affiliate marketing at our core



A hand is holding a smartphone. The screen shows a notification with a purple header that reads "FESTEN AR IGANG". Below the header, there is a small bar chart with three bars of increasing height. The background of the image is a dark blue gradient with a faint, repeating pattern of the text "BUSINESS UPDATE".

# BUSINESS UPDATE

# GENERAL BUSINESS UPDATE

## ■ CORE

- Overall good performance despite challenges on the Swedish market

## ■ LAB

- Rapidi.com with expected launch in Q2

## ■ M&A

- Acquisition of Tvmatsit.com after end of quarter

## ■ Optimising the organisation for geographical expansion

- Recruitment of key personnel
- Development of BI tools and technical platforms

# PRODUCT ECOSYSTEM & EXPANSION – Complete product presence now in three main markets

Products built for comparison where anyone interested in a sign-up offer finds the best offers on the market

- Users quickly find what they're looking for
- Cross promotion opportunities to other products

Products for the engaged sports bettors

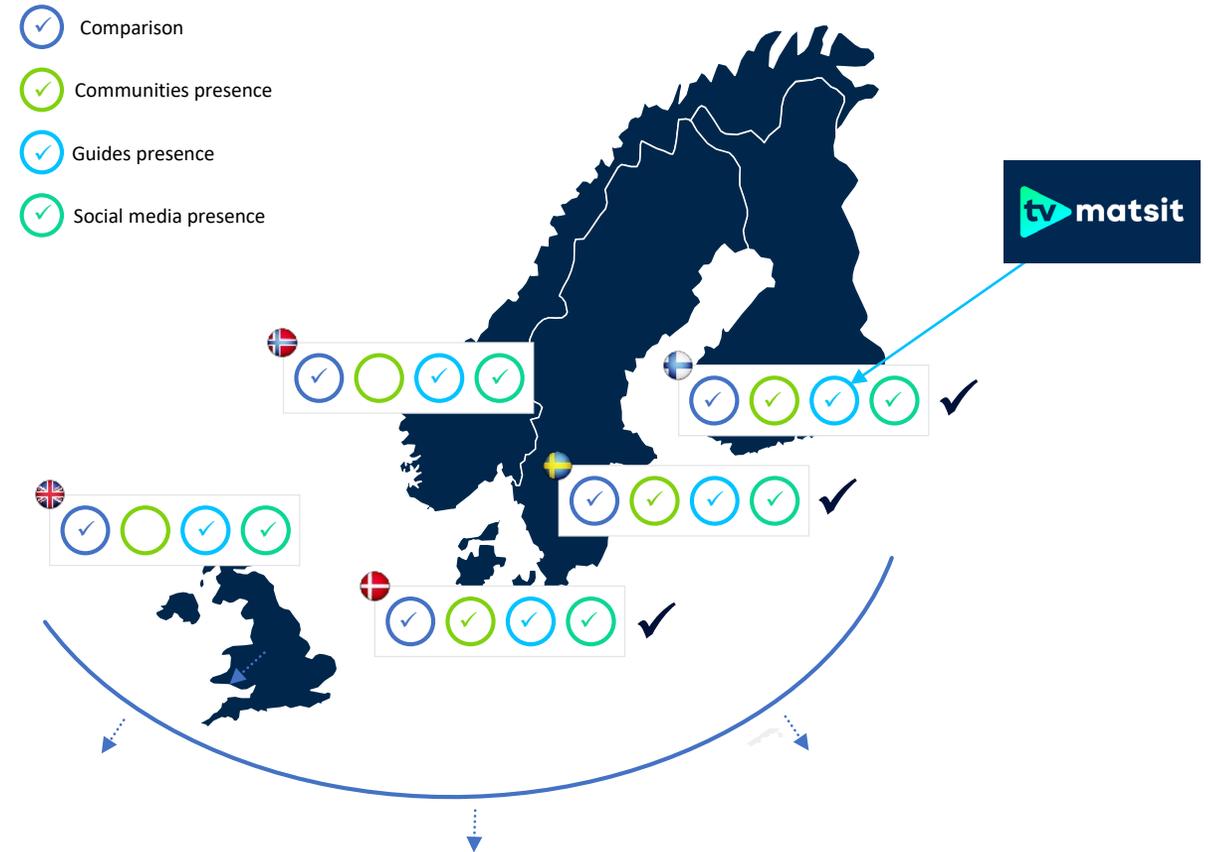
- Betting tips and sports content
- Interactive
- High retention
- Scalable platform

Products for everyone interested in sports

- Partners are mainly operators
- High retention and scalable platform
- Cross promotion possibilities to other products

Interactive experience through third party platforms

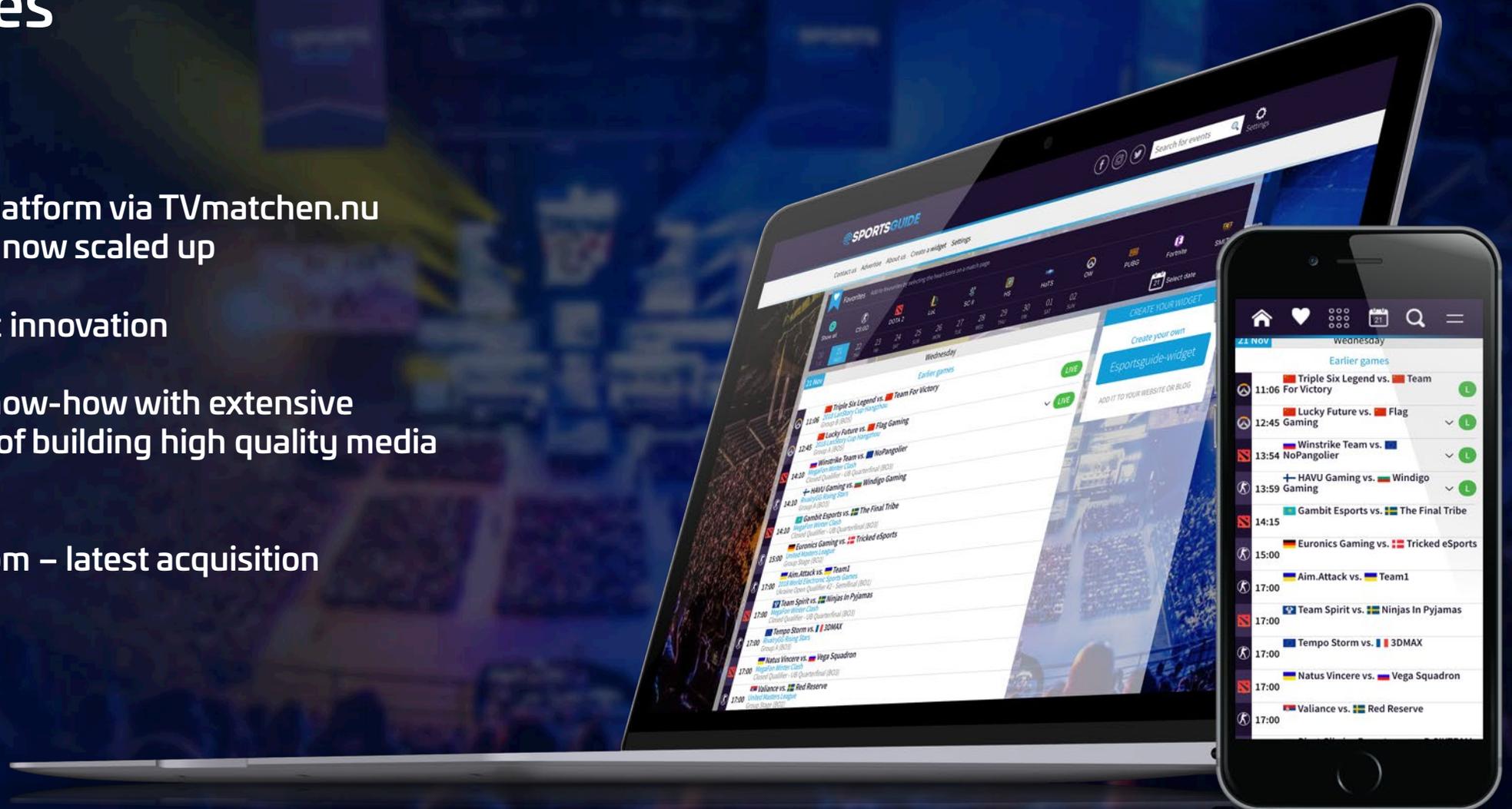
- Betting tips and sports content
- Interactive
- Wide reach (volume)
- Cross promotion possibilities to other products



# CASE STUDY – a growing family of TV sports guides

“We grow through innovation”

- Technical platform via TVmatchen.nu acquisition, now scaled up
- Lab product innovation
- In-house know-how with extensive experience of building high quality media platforms
- TVmatsit.com – latest acquisition



# SWEDEN UPDATE

## POST RE-REGULATION STABILISATION PHASE

- Traffic levels remain high
- Lower average player lifetime values
- Hard to predict when and at what level the market will stabilise

## GAMBLING ADVERTISING IN SWEDEN

- Google will initially only allow gaming operators to advertise in Sweden
- Government evaluating further restrictions/ban
- Potential upside for Raketech



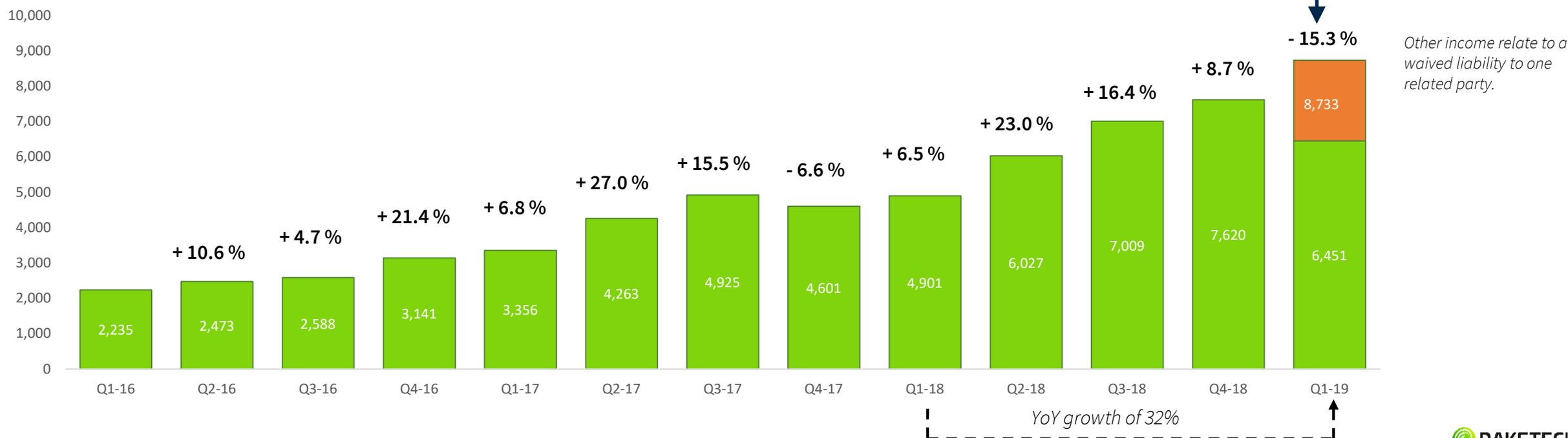
FINANCIALS Q1 2019

# REVENUE DEVELOPMENT

*“Strong year on year revenue growth despite the changed Swedish landscape”*

Total revenue amounted to EUR 8.7m effected by other non-operational income of EUR 2.3m. The revenue decline between Q4 2018 and Q1 2019 is effected by the regulation in Sweden and seasonality effect with lower activity during the first half of the year.

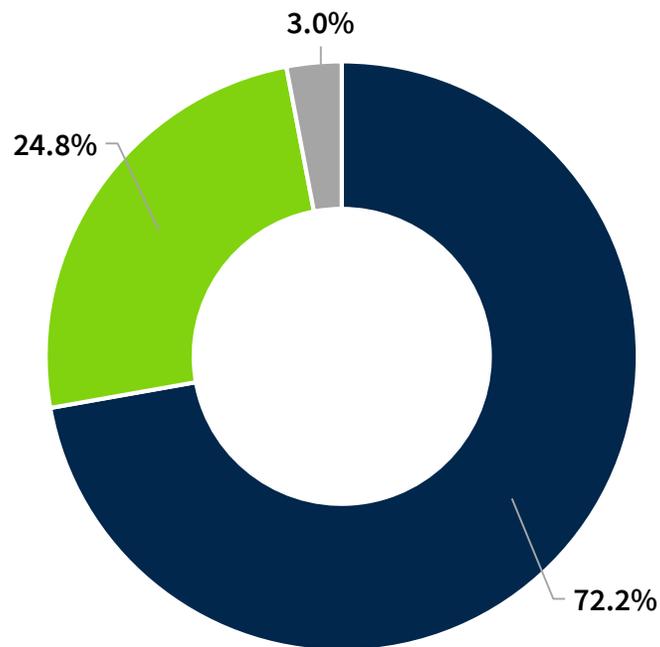
Revenue (EUR 000)  
 Total Revenue inc. other income (EUR 000)



# REVENUE SPLIT

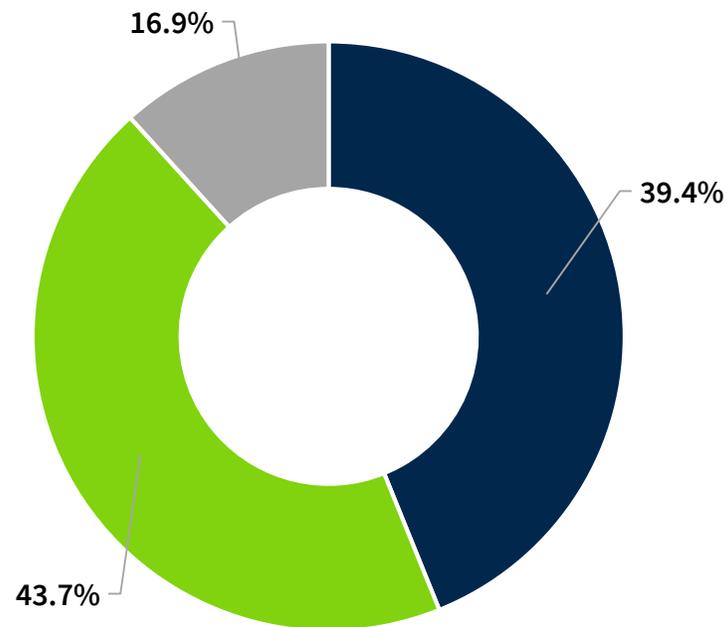
*“Organic growth of 22% driven by increased traffic and NDCs throughout our product portfolio”*

REVENUE SPLIT BY VERTICAL



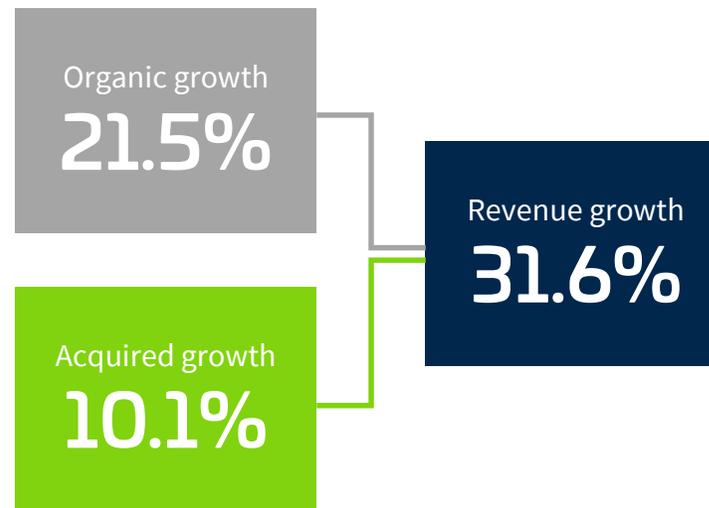
■ CASINO ■ SPORTSBOOK ■ OTHER

REVENUE STREAMS



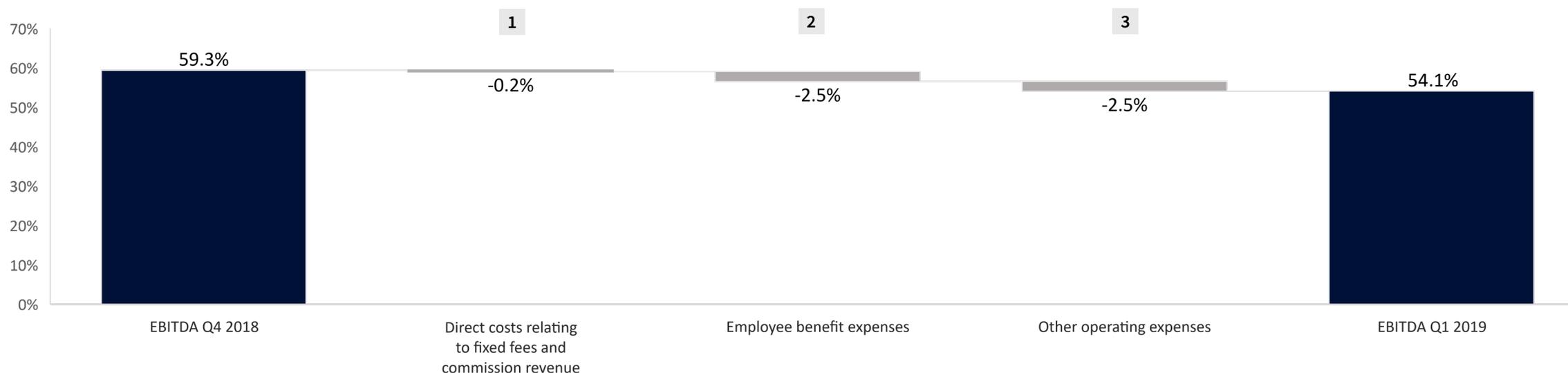
■ REVENUE SHARE ■ UPFRONT PAYMENT ■ FLAT FEE

- Significant revenue growth by 32% compared to last year.
- Revenue growth was mainly driven by organic growth of 22% but also by acquisitions of 10% mainly related to the acquisition of affiliate sites Mediaclever acquired during Q2 2018.
- Continued strong growth of Tvmatchen driving the sports segment



# EBITDA DEVELOPMENT

*“Decreased EBITDA margin was driven by the revenue drop between Q4 2018 and Q1 2019 and positively affected by the lower cost base in Q1 2019”*



1

Direct costs decreased by EUR 0.1m between Q4 2018 and Q1 2019. Driven by lower expenses from outsourced SEO and development costs. Direct costs as a percentage of revenue increased by 0.2 pp.

2

Personnel costs in relation to revenue increased by 2.5 pp, as personnel costs in Q1 2019 were slightly above the Q4 2018 levels.

3

Total costs for other operating expenses are in line with Q4 figures. Other operating expenses in relation to revenue increased by 2.5 pp.

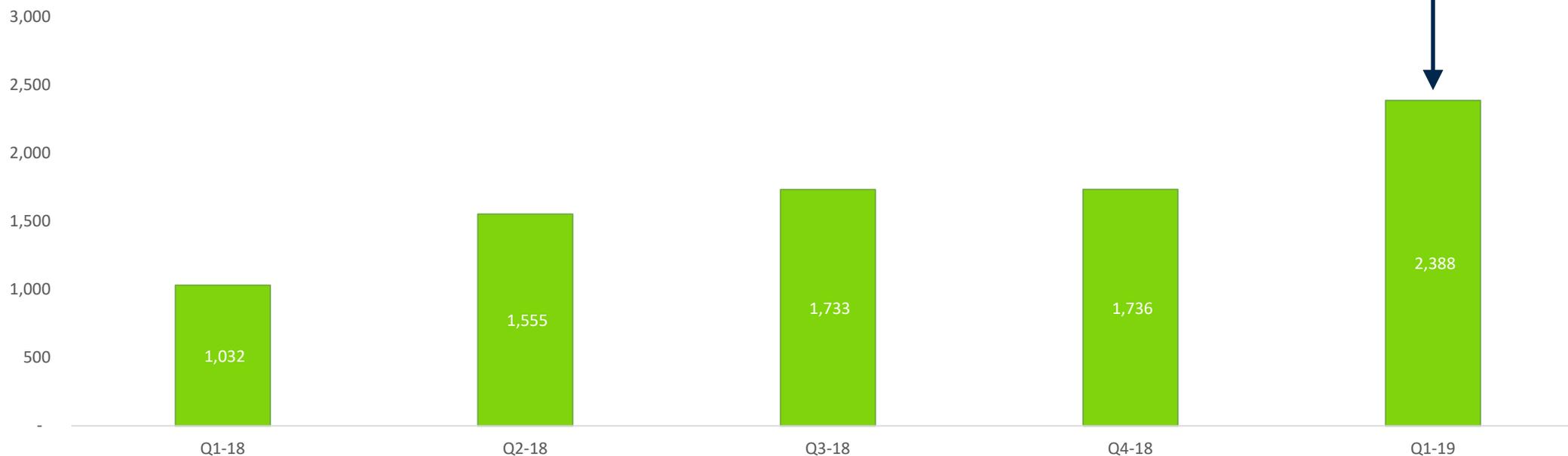
# ADJUSTED PROFIT DEVELOPMENT

*“Continuous profit development quarter on quarter”*

Strong profit development between Q4 2018 and Q1 2019 of 37.6%.

Adjusted Profit\* (EUR 000)

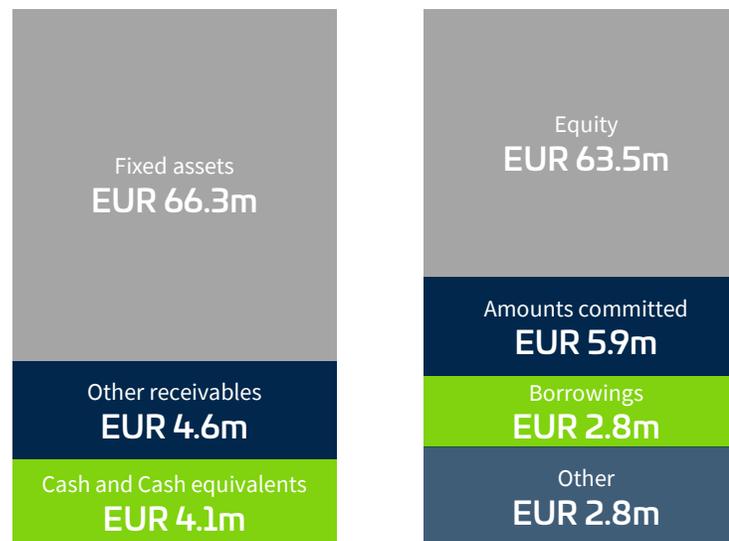
\* Adjusted profit is excluded for IPO-costs and other non-operational income



# STATEMENT OF FINANCIAL POSITION

- Total assets amounted to EUR 75.0m, consisting mainly of Intangible assets related to websites, domains, intellectual property and player databases. The adoption of IFRS 16 had limited effect of EUR 0.6m in the statement of financial position.
- Cash and Cash equivalents amounted to EUR 4.1m.
- Borrowings related to our previous loan facility was fully repaid in March of EUR 7.7 million. Current borrowings relate to a revolving credit facility from Swedbank.
- Amounts committed of EUR 5.9m consist of the expected future earn out liabilities.

## BALANCE SHEET | 31 Mar 2019

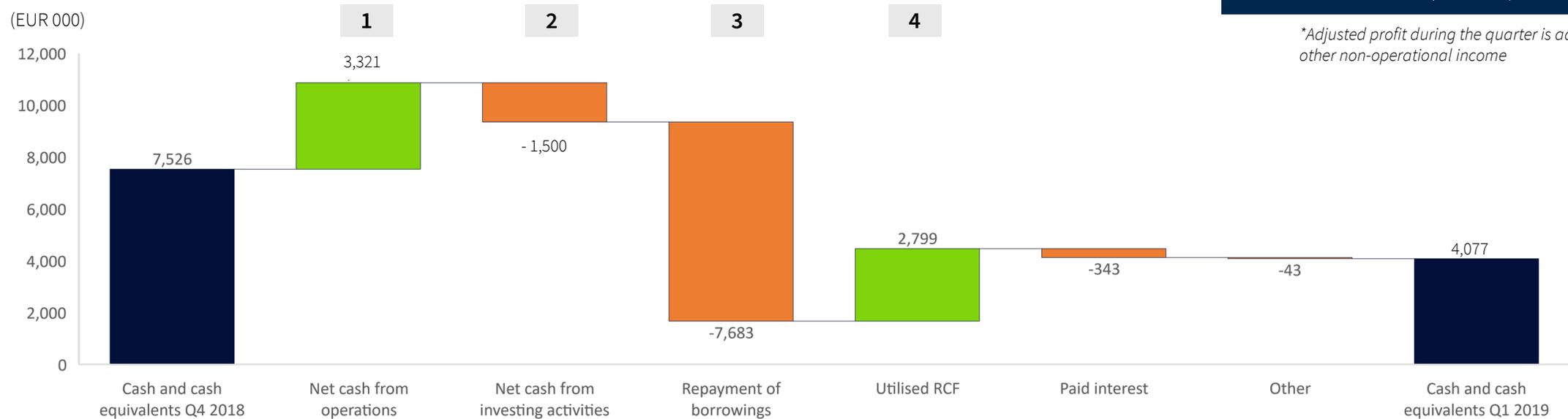


# CASH FLOW

*“Continued high cash conversion during the quarter”*

Cash conversion of 0.95x adjusted EBITDA\*  
 (Cash conversion = Net cash flow from operations / EBITDA)

*\*Adjusted profit during the quarter is adjusted for other non-operational income*



**1**  
 Operational cash flow amounted to EUR 3.3 million.

**2**  
 Net cash from investing activities amounted to earn out payments.

**3**  
 Repayment on borrowings relates to the full repayment of our previous loan facility.

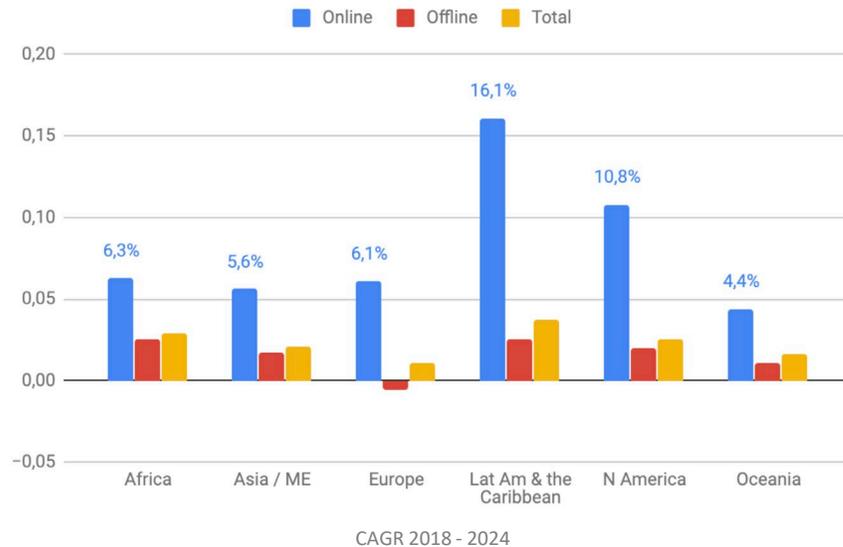
**4**  
 Utilised RCF relates to the utilised amount from the current revolving facility from Swedbank

# STRATEGY AND OUTLOOK

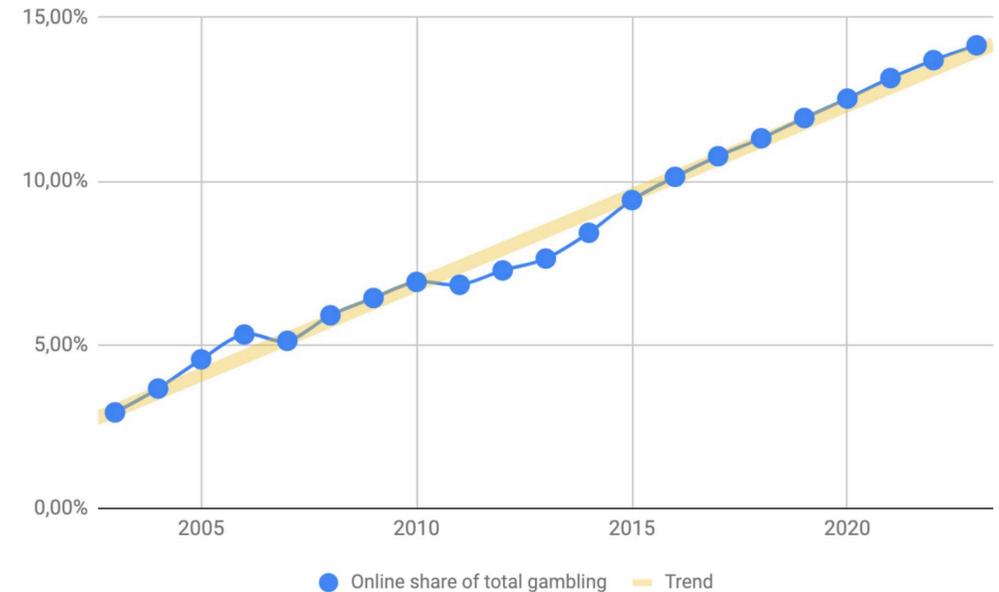


# DIGITALISATION OF THE GLOBAL GAMBLING INDUSTRY

- Global gambling industry is driven by digital growth
- Today's digital share amounts to 11% and in 5 years the digital share is expected to be more than 14%
- Raketech well-positioned for geographic expansion



Online share of global gambling



# STRATEGIC PRIORITIES

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- iGaming is our main focus
- Global ambitions - will use our know-how from Sweden
- Focus on markets that are important to our partners – in Europe and beyond
- Strengthening the organisation with both people and technology
- Acquisitions an important part of the growth strategy
- Product strategy for global market penetration



# SUMMARY

# KEY TAKEAWAYS

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- Good performance during Q1 in spite of challenges
- Sweden in stabilisation phase post re-regulation
- Continued focus on organic growth and global geographical expansion
- Selective M&A to further support growth

# Q&A

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# APPENDIX

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# FINANCIAL TARGETS

## FINANCIAL TARGET

### Growth

In the short<sup>1</sup> to medium term Raketech targets annual total revenue growth in excess of 30 per cent on average, including acquisitions and organic growth in excess of 10 per cent. The total revenue growth is subject to availability of and successful completion of potential acquisitions.

### Profitability

In the short<sup>1</sup> to medium term Raketech targets an adj. EBITDA margin exceeding 50 per cent.

### Capital structure

In the short<sup>1</sup> to medium term Raketech targets a Net debt / EBITDA ratio between 1.5 and 2.5. The company may elect to operate temporarily outside this span under certain circumstances during limited time periods, e.g. as a result of acquisitions.

<sup>1</sup> Short term refers to from year 2020