YEAR END REPORT 2018

RAKETECH GROUP HOLDING P.L.C.

RAKETECH

FOURTH QUARTER 2018

- Revenues increased by 65.6% to EUR 7.6 million (EUR 4.6 million)
- Organic growth amounted to 50.2% (6.1%)
- Adjusted EBITDA increased by 122.1% to EUR 4.5 million (EUR 2.0million), corresponding to a margin of 59.3% (44.2%)
- Adjusted operating profit amounted to EUR 3.8 million (EUR 1.8 million), corresponding to a margin of 49.6% (39.9%)
- Profit for the period amounted to EUR 1.7 million (EUR 0.8 million).
- Earnings per share amounted to EUR 0.05 (EUR 0.03) before dilution
- NDCs (New Depositing Customers) increased by 141.4% to 35,948 (14,891)

FULL-YEAR 2018

- Revenues increased by 49.0% to EUR 25.6 million (EUR 17.1 million)
- Organic growth amounted to 29.9% (16.6%)
- Adjusted EBITDA increased by 48.9% to EUR 14.4 million (EUR 9.7 million), corresponding to a margin of 56.3% (56.4%)
- Adjusted operating profit amounted to EUR 12.7 million (EUR 9.0 million), corresponding to a margin of 49.7% (52.5%)
- Profit for the period amounted to EUR 4.6 million (EUR 5.8 million)
- Earnings per share amounted to EUR 0.15 (EUR 0.24) before dilution
- NDCs (New Depositing Customers) increased by 48.2% to 99,599 (67,193)

EVENTS DURING Q4 2018

- With an effective date of 3 October 2018, Raketech repaid EUR 15.5 million of the current loan facility.
- On 5 October 2018, Raketech launched Urheiluveikkaus.com as its flagship sports betting product for Finland.
- Raketech launched esportsguide.com on 16 November 2018, to target the global esports community.
- Raketech partnered with Trustly on 21 November 2018, to provide in-banner Pay N Play technology across Raketech's product portfolio.
- On 7 December 2018, Raketech acquired a number of Norwegian affiliate assets within consumer finance, including the flagship product Norskkredit.no.
- Raketech entered into an agreement with Swedbank for a revolving credit facility of EUR 10 million on 20 December 2018.
- The Board of Directors proposes that no dividend is to be paid for the 2018 financial year as Raketech operates in a growing market. In order to capitalise on this and the ongoing consolidation in the market Raketech intends to prioritise growth activities which include further acquisitions.

Comparative info relates to fourth quarter 2017 and full year 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 17 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	Oct-Dec 2018	Oct-Dec 2017	Change %	Jan-Dec 2018	Jan-Dec 2017	Change %
Revenue	**7,620**	**4,602**	**65.6%**	**25,556**	**17,146**	**49.0%**
Organic growth	50.2%	6.1%	44.1%	29.9%	16.6%	13.3%
- Revenue share	3,140	2,467	27.4%	11,043	9,347	18.1%
- Upfront payment	3,446	1,298	165.4%	10,974	4,411	148.8%
- Flat fee	1,034	837	23.4%	3,539	3,388	4.5%
Casino of total revenue	70.7%	66.5%	4.2%	74.0%	69.9%	4.1%
Sport of total revenue	25.8%	30.3%	-4.5%	23.0%	25.1%	-2.1%
Other of total revenue	3.5%	3.2%	0.3%	3.0%	5.0%	-2.0%
Revenue from the Nordics	95.9%	93.4%	2.5%	95.7%	91.7%	4.0%
Revenue from other markets	4.1%	6.6%	-2.5%	4.3%	8.3%	-4.0%
EBITDA	**4,522**	**1,912**	**136.5%**	**12,895**	**9,480**	**36.0%**
EBITDA margin	59.3%	41.5%	17.8%	50.5%	55.3%	-4.8%
Adjusted EBITDA	**4,522**	**2,036**	**122.1%**	**14,398**	**9,667**	**48.9%**
Adjusted EBITDA margin	59.3%	44.2%	15.1%	56.3%	56.4%	-0.1%
Operating profit	**3,783**	**1,710**	**121.2%**	**11,194**	**8,813**	**27.0%**
Operating margin	49.6%	37.2%	12.4%	43.8%	51.4%	-7.6%
Adjusted Operating profit	**3,783**	**1,834**	**106.3%**	**12,697**	**9,000**	**41.1%**
Adjusted Operating margin	49.6%	39.9%	9.7%	49.7%	52.5%	-2.8%
Average number of shares, before dilution *	37,900,633	23,891,085	58.6%	31,145,061	23,770,071	31.0%
Average number of shares, after dilution *	38,391,750	23,891,085	60.7%	31,504,317	23,770,071	32.5%
NDCs	35,948	14,891	141.4%	99,599	67,193	48.2%
Mobile vs total traffic (visitors)	61.0%	64.0%	-3.0%	60.4%	60.2%	0.2%

**By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, 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.*

FOR MORE INFORMATION, CONTACT:

Michael Holmberg CEO, +356 9999 8009 | Andreas Kovacs CFO, +356 9931 4959

CEO COMMENTS

I am pleased to announce a strong end to 2018, which was a record-breaking year for Raketech. We strengthened both financially and strategically over the past twelve months, and our focus on creating organic growth has continued.

RESULTS

Revenues for the fourth quarter amounted to EUR 7.6 million, an increase of 66 percent compared to the corresponding quarter last year. The organic revenue growth amounted to 50 percent. Adjusted EBITDA amounted to EUR 4.5 million, corresponding to a margin of 59 percent. For the 2018 full year, revenue growth was 49 percent and the adjusted EBITDA margin amounted to 56 percent, well above our financial targets.

PRODUCT INNOVATION AND ORGANIC GROWTH

We continued to show strong organic growth in Q4, fuelled by our strategy to capitalise on our existing assets (Raketech Core). Our SEO (i.e. search products) strategy is built on a combination of external partnerships and internal expertise where we together build the best products. This means that we are taking in the expertise from entrepreneurs which have built some of our assets over the years in a structured manner to scale the operations in Malta. Core is all about maintaining and growing old products for tomorrow, or build new products on old assets or domains by releasing product upgrades that matches the search trends of today and tomorrow. We are seeing improvements in ranking of our products and I believe we are in a strong position to further optimise going forward.

On the theme of great products, our TV sports guides performed particularly well in the quarter and supported revenue growth. During 2018 we enhanced the guides with new features and dedicated sections for specific sporting events, which have turned out to be very popular among the users. We have also exhibited steady growth for our latest products targeting the UK and Germany, and see traffic increasing for recently launched Esportsguide.com which targets the growing global esports market. The latter is yet another example of scalability within our product strategy – entering new markets or verticals with existing platforms.

An event during the quarter was launching an In-Banner Pay N Play capability on some of our iGaming products. Raketech is the first gaming affiliate with this new functionality, and we are currently working to explore the opportunities further by launching an inhouse Pay N Play casino brand named Rapidi. This will be an experiment run in Raketech Lab, which will provide us with valuable data throughout the player journey and support our work to develop the best affiliate products. However, we don't expect it to generate substantial revenue.

I would also like to mention the acquisition of a number of Norwegian consumer finance affiliate assets, which is an area that is interesting for the company also going forward. We already operate several strong brands in the Swedish financial vertical, and we see clear synergies between the products and regions that we will capitalise on.

SWEDISH REGULATION

The regulation of the Swedish gaming market came into effect on 1 January 2019, and we put a big focus on activating a new Swedish compliance strategy at the end of 2018 to ensure our sites follow robust compliance criteria. We also discontinued partnerships with operators not applying for a Swedish license. In Q3, we were the first affiliate company to become a member of Sper, the Swedish Gambling Association. With a clear compliance strategy executed, we can now focus resources on driving traffic to our new and existing regulated partners in Sweden with which we have established long-term deals. It is still early days and the operators and players are adapting to the new setting, but we believe the market will normalise over time and we see many opportunities ahead. According to the Swedish Gambling Authority, 50% of all Swedish gambling revenue is generated online, giving significant room for further underlying market growth.

IMPROVED FINANCING

In Q4, we repaid EUR 15.5 million of the outstanding 2017 loan facility and entered into a new agreement with Swedbank for a revolving credit facility of EUR 10 million.

With the new facility, we have secured a favourable bank funding and a long-term partner for future acquisitions, in line with the ambitions presented with Raketech's IPO. Within the new framework, the interest expense on the utilised amount is decreased by more than 50%. Achieving a favourable capital structure was a priority in 2018, and I am very happy with the new set-up.

LOOKING INTO 2019

The new year has started off according to plan from Raketech side, and with all preparations complete ahead of the Swedish regulation we can once again focus on the day-to-day business.

The gaming sector as a whole in Sweden is in a phase of stabilisation post-regulation. January traffic levels were high, but with lower average deposit levels. LTVs (litetime values) are expected to go slightly down in Q1. The overall consequence for Raketech in January is not dramatic and performance is in line with our financial targets.

Looking ahead, we plan to expand into new markets, optimise our current assets in Raketech Core and launch new products in Raketech Lab, such as the above-mentioned casino product.

All in all, I am very proud of the progress and achievements made by the team in 2018, and look forward to the company's continued growth journey in 2019.

MICHAEL HOLMBERG
CEO

Financial performance during the forth quarter of 2018

Revenue development of 65.6% in the fourth quarter of 2018, compared with the same quarter last year, was primarily driven by organic growth of 50.2% together with a strong underlying NDC growth of 141.4%.

REVENUES

Revenues totalled EUR 7.6 million (EUR 4.6 million) in the fourth quarter, corresponding to an increase of 65.6% compared to the equivalent period in 2017. Organic growth amounted to 50.2% (6.1%). Revenue growth was positively affected by strong development in Casino and Media products.

EXPENSES

Direct expenses amounted to EUR 0.9 million (EUR 0.3 million) driven by increased SEO, development and content related consultancy expenses in line with management strategy to continue to build on the Group's external network of experts.

Employee benefit expenses amounted to EUR 1.0 million (EUR 1.1 million). The decreased employee benefit expenses were driven by the shift towards ongoing outsourced developers and content writers.

Other expenses amounted to EUR 1.2 million (EUR 1.2 million) is in line with the operating expenses of last year. The Group's operation has been scaled up during the year, however other expenses did not increase year on year and this is due to increased efficiency and automation in some areas of the business.

Depreciation and amortisation amounted to EUR 0.7 million (EUR 0.2 million). The increased depreciation was primarily attributable to depreciation of player databases and other intellectual property acquired in the year to 31 December 2018.

PROFITABILITY

EBITDA amounted to EUR 4.5 million (EUR 1.9 million), corresponding to an increase of 136.5%. The EBITDA margin amounted to 59.3% (41.5%).

Profit for the period amounted to EUR 1.7 million (EUR 0.8 million). Profit for the period was negatively impacted by the accelerated unwinding of the previously capitalised transaction expenses as a result of the early repayment of the long-term interest-bearing liability of EUR 15.5 million to Ares Management, and by administrative fees of EUR 0.3 million linked to the same repayment. The non-cash effect related to the repayment amounted to EUR 1.4 million during the quarter.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 5.6 million (EUR 0.7 million), driven by the increased operational profit, positive evolvement of receivables and by the tax refund received of EUR 0.7 million related to 2017 taxed profits.

Cash flow from investing activities amounted to EUR – 2.6 million (EUR -1.1 million) and relates to the acquisition of the Norwegian consumer finance affiliate sites on 7 December 2018 for EUR 0.5 million, and to earn out payments.

Cash flow from financing activities amounted to EUR -15.9 million (EUR 0.1 million) driven by the repayment of EUR 15.5 million on the credit facility to Ares Management. Cash and cash equivalents at the end of the quarter amounted to EUR 7.5 million (EUR 3.1 million).

Financial performance during the full-year of 2018

REVENUES

Revenues totalled EUR 25.6 million (EUR 17.1 million) during the full-year 2018, corresponding to an increase of 49.0% compared to the equivalent period in 2017. Organic growth amounted to 29.9% (16.6%). The positive revenue growth is driven throughout all parts of Raketech's operational model; Core, Lab and M&A.

EXPENSES

Direct expenses amounted to EUR 2.1 million (EUR 0.9 million), consisting primarily of external SEO, hosting, development and domain expenses, in line with management's strategy to continue to capitalise on the Group's scalable model driven by the internally developed data-warehouse.

Employee benefit expenses amounted to EUR 4.8 million (EUR 3.5 million), mainly impacted by the increased average number of employees during 2018.

Other expenses amounted to EUR 4.2 million (EUR 3.1 million) driven by the scaled-up organisation during 2018. Expenses attributable to the listing on Nasdaq First North Premier amounted to EUR 1.5 million (EUR 0.2 million) during the first six months of 2018 affecting the operating expenses significantly. No costs related to the listing were recognised post Q2 2018.

Depreciation and amortisation amounted to EUR 1.7 million (EUR 0.7 million). The increased depreciation during 2018 is mainly attributable to other intellectual property acquired in the year to 31 December 2018.

PROFITABILITY

Adjusted EBITDA amounted to EUR 14.4 million (EUR 9.7 million) representing an increase of 48.9%. The Adjusted EBITDA margin was 56.3% (56.4%). EBITDA, including expenses for the stock market listing, amounted to EUR 12.9 million (EUR 9.5 million).

Profit for the period amounted to EUR 4.6 million (EUR 5.8 million). Profit amounted to EUR 8.2 million (EUR 6.0 million) after adjusting for expenses related to the stock market listing of EUR 1.5 million (EUR 0.2 million) and the non-cash effect of accelerated unwinding of previously capitalised transaction expenses following the early repayment of the Ares Management loan.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 11.2 million (EUR 4.7 million), driven by the strong operating profit during the year.

Cash flow from investing activities amounted to EUR – 16.5 million (EUR -27.8 million) connected to acquisitions and earn outs during 2018.

Cash flow from financing activities amounted to EUR 9.7 million (EUR 26.1 million) driven by the IPO funding together with the repayment of the credit facility to Ares Management.

Cash and cash equivalents at the end of 2018 amounted to EUR 7.5 million (EUR 3.1 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 become more expensive, as the market becomes more consolidated.

The remote gaming industry continues to undergo regulation and is therefore 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 main 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 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 regimes come into force, the Group will conform with such requirements by applying for the necessary licenses in the respective jurisdictions. The Group is primarily exposed to the Nordic region, and a significant amount of revenue is generated from Sweden. Reviews of gaming taxation laws have taken place in a number of EU jurisdictions, including Sweden, the top market for the Group. The directors are of the view that the Group is well prepared for these changes and favour operating in regulated markets.

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

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

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

OTHER

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

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

UPCOMING REPORTS

Interim report Jan - Mar 2019:
22 May 2019

Interim report Apr - Jun 2019:
21 August 2019

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

Condensed consolidated statement of comprehensive income

EUR thousands	Notes	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Total revenue	3	**7,620**	**4,602**	**25,556**	**17,146**
Direct costs relating to fixed fees and commission revenue		**(931)**	(278)	**(2,142)**	(859)
Employee benefit expense		**(973)**	(1,083)	**(4,840)**	(3,497)
Depreciation and amortisation		**(739)**	(202)	**(1,701)**	(667)
IPO related costs		**-**	(124)	**(1,503)**	(187)
Other operating expenses		**(1,194)**	(1,205)	**(4,176)**	(3,123)
Total operating expenses		**(3,837)**	(2,892)	**(14,362)**	(8,333)
Operating profit		**3,783**	**1,710**	**11,194**	**8,813**
Finance costs	6	**(1,956)**	(916)	**(6,401)**	(2,738)
Profit before tax		**1,827**	**794**	**4,793**	**6,075**
Tax expense		**(91)**	(42)	**(239)**	(307)
Profit for the period/ year		**1,736**	**752**	**4,554**	**5,768**
Profit attributable to:					
Equity holders of the Parent Company		**1,835**	**752**	**4,708**	**5,768**
Non-controlling interest		**(99)**	**-**	**(154)**	**-**
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**	**0.03**	**0.15**	**0.24**
Diluted earnings per share*					
From profit for the period/ year		**0.05**	**0.03**	**0.15**	**0.24**

**By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, 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 12 to 15 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

EUR thousands	Notes	31 Dec 2018	31 Dec 2017
Assets			
Non - Current Assets			
Goodwill	4	344	-
Intangible assets	5	65,673	46,393
Property, plant and equipment		241	318
Deferred tax assets		-	90
Total non-current assets		**66,258**	**46,801**
Current assets			
Trade and other receivables		4,323	2,610
Cash and cash equivalents		7,526	3,100
Total current assets		**11,849**	**5,710**
TOTAL ASSETS		**78,107**	**52,511**
Equity & Liabilities			
Capital and reserves			
Share capital		76	2
Share premium		39,387	1,000
Other reserves		1,254	1,204
Retained earnings		17,948	13,460
Equity attributable to owners of the Company		**58,665**	**15,666**
Non-Controlling Interests		**67**	**-**
Total Equity		**58,732**	**15,666**
Liabilities			
Non-current liabilities			
Borrowings	6	7,880	28,077
Deferred tax liability		837	-
Amounts committed on acquisition	8	4,039	586
Total non-current liabilities		**12,756**	**28,663**
Current liabilities			
Amounts committed on acquisition	8	3,046	1,332
Trade and other payables	7	3,573	5,967
Current tax liabilities		-	883
Total current liabilities		**6,619**	**8,182**
Total liabilities		**19,375**	**36,845**
TOTAL EQUITY AND LIABILITIES		**78,107**	**52,511**

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 11 were approved for publication by the Board of Directors on 21 February 2019 and were signed on the Board of Directors' behalf by:

Erik Skarp
Board member

Johan Svensson
Board member

Condensed consolidated statement of changes in equity

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 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
Shareholder's Contribution	-	-	929	-	929	-	929
Total transactions with owners of the Company	74	38,387	50	-	38,511	-	38,511
Changes in ownership interest							
Disposal of NCI without a change in control	-	-	-	(66)	(66)	67	1
Balance at 31 December 2018	**76**	**39,387**	**1,254**	**17,948**	**58,665**	**67**	**58,732**

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 12 to 15 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

EUR thousands	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Cash flows from operating activities				
Profit before tax	1,827	794	4,793	6,075
Adjustments for:				
- Depreciation and amortisation	739	202	1,701	667
- Net finance costs	1,956	916	6,401	2,738
- Equity-settled share based payment transactions	(25)	-	121	-
- Loss on sale of property, plant and equipment	7	-	8	-
	4,504	**1,912**	**13,024**	**9,480**
Net income tax received/(paid)	689	(26)	(194)	(26)
Changes in:				
- Trade and other receivables (net of provisions)	117	87	(1,647)	(1,562)
- Trade and other payables	257	(1,321)	35	(3,160)
Net cash from operating activities	**5,567**	**652**	**11,218**	**4,732**
Cash flows from investing activities				
- Acquisition of property, plant and equipment	1	(30)	(34)	(332)
- Acquisition of intangible assets	(2,650)	(1,074)	(15,771)	(27,475)
- Acquisition of subsidiary	-	-	(732)	-
Net cash (used in) investing activities	**(2,649)**	**(1,104)**	**(16,537)**	**(27,807)**
Cash flows from financing activities				
- Net proceeds from drawdowns/(repayments) on borrowings	(15,810)	679	(22,627)	27,894
- Proceeds from issue of share capital, net of transaction costs	-	-	36,264	-
- Acquisition of NCI	1	-	2	-
- Interest paid	(90)	(610)	(3,894)	(1,776)
Net cash (used in)/from financing activities	**(15,899)**	**69**	**9,745**	**26,118**
Net (decrease)/increase in cash and cash equivalents	(12,981)	(383)	4,426	3,043
Cash and cash equivalents at the beginning of the period/year	20,507	3,483	3,100	57
Cash and cash equivalents at the end of the period/year	**7,526**	**3,100**	**7,526**	**3,100**

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

Statement of compliance

Raketech prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. The condensed consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting. These financial statements have been prepared under the historical cost convention, as modified by the fair valuation of financial assets and 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 2017 which is publicly available, except for the treatment of financial instruments as a result of the implementation of IFRS 9, and accounting for 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.

Changed accounting principles

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. IFRS 9 also addresses hedge accounting but has no impact on Raketech. 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' are measured at amortised cost.

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 material change in their gross carrying amount.

The adoption of IFRS 9 has not had a material impact on the Group's financial statements. The adoption of IFRS 9 has not had any impact on the Group's recognition and measurement of financial liabilities. Further, the hedge accounting provisions in IFRS 9 will have no impact on Raketech.

IFRS 15, 'Revenue from Contracts with Customers', also came into effect on 1 January 2018. IFRS 15 introduces a five-step model to establish how and when revenue must be recognised. The standard specifies that revenue is to be 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 by referring the potential players to operators in the iGaming sector, Raketech earns commission. The Group only earns commission from affiliate marketing agreements once an individual deposits money or places a bet 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 reviews 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 fair value at grand date, 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 fair value at grant date, 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.

Changes in IFRS not yet applied

IFRS 16 , 'Leases', applies to annual reporting periods beginning on the first of January 2019. IFRS 16 has replaced the former IAS 17. With IFRS 16 the concept of a financial or an operational lease will no longer exist for the lessee, instead an asset (a so called right-of-use asset) and a liability will be recognised in the statement of financial position. This concerns all leases except for short-term contracts (twelve months or less) and contracts of minor value. In the income statement, the straight-line expense for the operating lease is replaced by a charge for depreciation on the leased asset and an interest expense is also attributed to the liability. This accounting is based on the view that that the lessees have a right to use an asset under a specific time period and at the same time having an obligation to pay for this right. The main impact on Raketech's accounts will come from the rental contract regarding the office premises. An asset and a liability of EUR 0.5 million will be accounted for from 1 January 2019.

3. REVENUES

The Group attracts end-users and generates revenue by driving 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 in the fourth quarter and full year of 2018, and the fourth quarter and full year of 2017, is further analysed as follows:

EUR thousands	Oct-Dec 2018	Oct-Dec 2017	Change %	Jan- Dec 2018	Jan- Dec 2017	Change %
Revenue	**7,620**	**4,602**	**65.6%**	**25,556**	**17,146**	**49.0%**
- Commissions	**6,586**	3,765	**74.9%**	22,017	13,758	**60.0%**
- Flat fees	**1,034**	837	**23.4%**	3,539	3,388	**4.5%**

4. BUSINESS COMBINATION

On 6 June 2018, the Group entered into a share transfer agreement with Upside Media Ltd (the "Sellers"), an unrelated party, to acquire 51% of Shogun Media Limited's shares. Shogun Media Limited specialises in marketing and referring visitors to other websites. The acquisition complements the Group's existing strategy for paid media. Raketech gained control and consolidated the acquired operations as from 6 June 2018. The total purchase consideration for 51% of the shares amounted to EUR 0.7 million. No revenue was generated in Shogun Media Limited prior to the acquisition as the legal entity was established in connection with the acquisition.

Purchase Consideration	On acquisition Eur in thousands
Cash Consideration	731

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value Eur in thousands
Receivables	-
Domains and websites (Note 5)	217
Player databases (Note 5)	7
Other intellectual property (Note 5)	163
Fair value of net identifiable assets acquired	**387**
Goodwill	344
Net assets acquired	**731**

The goodwill is predominantly 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 group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Shogun Media Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. The non-controlling interest for Shogun Media Ltd amounted to EUR 588.

The acquired business contributed losses of EUR 155 thousand and revenue of EUR 99 thousand for the Group for the period from 6 June to 31 December 2018.

5. INTANGIBLE ASSETS

EUR thousands	Domains and websites	Player databases	Other intellectual property	Computer software	Goodwill	Total
Cost at 1 January 2018	44,931	1,802	-	319	-	**47,052**
Additions	15,112	1,854	3,520	10	-	20,496
Additions acquired/arising through business combination (note 4)	217	7	163	-	344	731
Cost as at 31 December 2018	**60,260**	**3,663**	**3,683**	**329**	**344**	**68,279**
Accumulated amortisation 1 January 2018	-	(577)	-	(82)	-	(659)
Amortisation charge for the year	-	(979)	(456)	(168)	-	(1,603)
Accumulated amortisation charge as at 31 December 2018	**-**	**(1,556)**	**(456)**	**(250)**	**-**	**(2,262)**
Net book amount 31 December 2018	60,260	2,107	3,227	79	344	**66,017**
Net book amount 31 December 2017	44,931	1,225	-	237	-	**46,393**

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. New acquisitions during the fourth quarter of 2018 amounted to EUR 0.5million and related to the acquisition of a number of Norwegian consumer finance sites. The total purchase price was allocated to domains and websites as no player databases were acquired. No contingent consideration is payable as a part of the acquisition. In addition to this, the group acquired 51% in Shogun Media Limited which gave rise to the recognition of intangible assets (Note 4).

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The directors are satisfied that the intangible assets are recoverable on the basis that the cashflows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions.

6. BORROWINGS

During 2018, the Group drew down loans from third parties with a nominal value of EUR 8.2 million to bring total borrowings to EUR 38.2 million as at 30 June 2018. As at 6 July 2018, EUR 15.0 million was repaid leading to a borrowing amount of EUR 23.2 million as at 30

September 2018 (EUR 30.0 million at 30 September 2017). An additional amount of EUR 15.5 million was repaid to Ares Management on 3 October 2018.

Finance costs of EUR 1.9 million during the quarter were impacted by the accelerated unwinding of the previously capitalised transaction expenses as a result of the early repayment of the long-term interest-bearing liability of EUR 15.5 million to Ares Management, and by administrative fees of EUR 0.3 million linked to the same repayment. The non-cash effect relating to the repayment amounted to EUR 1.4 million during the quarter.

As at 31 December 2018 outstanding loans amounted to EUR 7.7 million (EUR 28.1 million at 31 December 2017) and accrued interest expenses EUR 0.2m leading to a total outstanding debt to Ares Management of EUR 7.9 million as at 31 December 2018. 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. 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.

As at 20 December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of EUR 10m. As at 31 December 2018 the revolving facility was unutilised.

7. TRADE AND OTHER PAYABLES

Included within trade and other payables as at 31 December 2018 were amounts due to related parties amounting to EUR 2.3 million (EUR 4.5 million at 31 December 2017) which mature without interest, have no fixed repayment date and fall due for repayment on demand. As at 31 December 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. 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 full year of 2018, the additional amounts committed on acquisitions related to the acquisition of the assets of Mediaclever Sverige AB and the acquisition of the affiliate sites of Casinofeber. The earn-out conditions relating 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 amounted to EUR 7.0m as at 31 December 2018 and has been recognised in the condensed consolidated statement of financial position.

The adjustment to reflect the total impact of discounting in the condensed consolidated statement of financial position, amounted to EUR 0.6 million (Nil) in the fourth quarter of 2018. Of the amounts recognised in the condensed consolidated statement of financial position as per 31 December 2018, EUR 3.0 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	**Oct - Dec 2018**	Oct - Dec 2017	**Jan - Dec 2018**	Jan - Dec 2017
Revenue	**188**	191	**1,361**	802
Expenses				
Compensation (including salaries, consultancy fees and recharges from a related entity) including fees to executive management, directors and rental fees	**466**	435	**1,837**	1,385
Amounts owed to related parties	**2,290**	4,500	**2,290**	4,500
Amounts owed by related parties	**-**	191	**-**	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. SIGNIFICANT EVENTS AFTER THE PERIOD

There have not been any significant events after the end of the period.

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 describes the significant risks and uncertainties faced by the Group.

Malta, 21 February 2019

MICHAEL HOLMBERG

CEO

CHRISTIAN LUNDBERG

Chairman of the Board

JOHAN SVENSSON

Board member

FREDRIK SVEDERMAN

Board member

ERIK SKARP

Board member

ANNIKA BILLBERG

Board member

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 21 February. The presentation will be held in English and can be followed online via https://tv.streamfabriken.com/raketech-q4-2018.

To participate in the call, please dial:

+46 8 566 42 705 (SE)

+44 333 300 9034 (UK)

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 21 February 2019.

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