



# ***2021*** **Annual Report**



**RAKETECH**



# Table of Contents

|   |    |  |    |
|---|----|--|----|
| <i>Raketech At A Glance</i>                 | 4  | <i>The Share</i>                               | 20 |
| <i>2021 In Brief</i>                        | 5  | <i>Corporate Governance Report</i>             | 22 |
| <i>CEO Foreword</i>                         | 6  | <i>Members Of The Board</i>                    | 31 |
| <i>Our Business Model</i>                   | 8  | <i>Senior Management Team</i>                  | 35 |
| <i>Our Assets</i>                           | 10 | <i>Directors' Report</i>                       | 40 |
| <i>Platform for Growth</i>                  | 11 | <i>Financial Statements (Group And Parent)</i> | 43 |
| <i>Market Trends</i>                        | 13 | <i>Independent Auditor's Report</i>            | 87 |
| <i>Our View On Corporate Responsibility</i> | 14 | <i>Definitions</i>                             | 94 |
| <i>Employees</i>                            | 16 | <i>Information To Shareholders</i>             | 95 |

# Raketech at a Glance

Raketech is a Marketing Tech company combining Affiliate and performance Marketing; offering a wide portfolio of advertising space as well as data analysis tools to allow advertisers to maximise the value of their media spend. Our customers span from sports streaming providers and game studios to the largest segment, international betting and casino operators.

Raketech's primary role is to generate high quality leads and targeted advertisement space by providing relevant and engaging content to users interested in sports betting and casino gaming.

Raketech was founded 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 users and customers in many markets around the globe, spanning from high growth markets such as USA, Japan and Canada to our home markets in the Nordics and Europe.



# 2021 in Brief

*Through the addition of a series of commercial initiatives, continued investment in our current portfolio of assets as well as acquisitions on strategic markets, 2021 has been characterised by strong growth, all in line with our strategy and previously communicated operational goals. We have summarised some of the major events that characterised 2021 for Raketech.*

## May 2021

- Ulrik Bengtsson was appointed the new Chairman of the Board at the Annual General Meeting on May 17, 2021. Mr. Bengtsson brings profound knowledge, connections, and experience from the global iGaming scene combined with first-hand experience of large scale international transactions.

## July 2021

- Raketech signed a revolving credit facility of € 15 million with Avida Finans AB to support continued growth through acquisitions.
- Raketech entered Latin America, Spain and Italy through the acquisition of affiliate marketing company Infinileads S.L. With its key assets Slotjava.es and Slotjava.it, Infinileads offers an extensive Free-to-play casino library driving high user engagement and is expected to bring synergies to Raketech's Free-to-play portfolio as well as open doors to additional revenues by offering relevant marketing solutions to game providers and game studios.

## September 2021

- Raketech completed the acquisition of QM Media operations and its subsidiary P&P Vegas Group

Inc. This marked the largest acquisition to date for Raketech and significantly strengthens our sports footprint in the US with betting tipster community assets such as picksandparlays.net as well as providing access to the growing Indian sports market through the leading cricket betting website, onlinecricketbetting.net.

## December 2021

- Raketech completed the acquisition of the leading US tipster asset A.T.S. Consultants Inc. With key assets winnersandwhiners.com, statsalt.com and pickpapa.com the organisation provides tailored pre-game insights for sports served to sports fans across the US by a dedicated team of experts located in Baltimore, US. The business model which is based on user subscriptions and sale of picks (tips) will furthermore be complemented with Raketech's existing marketing services such as traditional affiliation, media sales and CRM.
- Raketech appointed new Managing Directors for the North American and European business units respectively. The move to reorganise and strengthen the senior management team was done to facilitate and match the heightened 2022 commercial objectives to continue to grow our media network across multiple online gambling markets.



# CEO Foreword

## *Strategic achievements*

In early 2020, we set goals relating to diversification within verticals, technology and geography. Two years later, we have essentially delivered on the majority of the goals set up back then. Raketeck today consists of both consumer and partner facing product categories, with a number of global flagship products and a presence on three continents. We have also clearly decreased the revenue dependency from individual verticals. All in all, this means that Raketeck now is geographically, organisationally, and technically well positioned in the global iGaming affiliation space and we are ready for further growth.

## *Financial development*

2021 was also a year of strong financial performance with all-time high revenue and profitability. Revenue increased to € 38.5 million, a growth of 31% compared to 2020. In addition to organic growth of 17.5%, the revenue was driven by recent acquisitions.

Adjusted EBITDA grew by 37% and came in at € 16.5 million, corresponding to a margin of approximately 43%. The increased profitability highlights the scalability of our platform and is driven by our strategic progress with new product categories, geographical expansion and new acquisitions.

## *M&A delivery*

As part of our strategic agenda, we have focused on increasing revenue from sports and the US market. In the last quarter of 2021, US revenue contributed close to 10% of group total revenue and sports revenue at 22% of group total revenue. The growth in both these areas has to large extent been driven by our acquisition of P&P Vegas Group Inc. which was announced in July and completed in September. This was an acquisition that was a great fit with our ambitions and M&A agenda and we are really happy to have the team on board. Towards the end of the year, we also acquired the leading tipster asset A.T.S. Consultants Inc. in Baltimore, which is set to increase the

sports and US revenue share even more in 2022.

Through further acquisitions during 2021 we have also expanded Raketeck to other parts of the world. In July, we acquired Spanish-based Infinileads with assets targeting Latin America, Spain and Italy. In addition, we also strengthened our presence in India through the acquisition of all assets from QM Media in July.

## *Platform for growth*

I am very proud of our 2021 accomplishments, where Raketeck has evolved into a more diversified and geographically well positioned group. With our operational strategic goals achieved, we have set four tactical focus areas for 2022:

First, we aim to maximise the US opportunity by increasing investments into our newly acquired US operations. We will build a full scale local commercial and product organisation, supported by our central tech and analytics functions.

Second, we will future proof the growth of our flagship products by developing the next generation of our most important assets. To achieve this, we will invest in localisation to enable extended geographical reach.

Third, we will create incremental revenue by extending our network offering.

Fourth, we will continue to drive our M&A agenda. We target regulated or soon-to-be regulated high growth markets and preferably where Raketeck already has a presence. If the opportunity arises, we might also target larger acquisitions.

As a final remark, I would like to thank our amazing team for the great efforts in 2021, as well as our shareholders for your continued trust and support in our work. I look forward to continuing working together, reaching new milestones and delivering on our vision – to always be the first choice, by driving the industry users and partners at our core.

“  
**2021 was another solid year for Raketeck, characterised by rapid growth, new acquisitions and expansion in new markets. Most importantly, we have delivered on our operational strategic goals with a focus on diversification and thus created a strong platform for future growth.**”

**Oskar Mühlbach**  
 Chief Executive Officer

# Our Business Model

## Raketech in the iGaming value chain

Affiliate and performance marketing companies such as Raketech provide comprehensive information, reviews and analyses related to all operators, game providers and betting odds to online players. By delivering high-quality content with relevant and up-to-date information, we provide a service that matches the player's individual preferences.

We provide relevant information to online players, who in their turn select the ideal operator.

We want to make sure we match players and potential leads with the right operator which will lead to higher revenue.

## How we serve our clients

In general, affiliate and performance marketing companies such as Raketech provide different types of marketing channels:

### Lead generation

Lead-generating assets within the iGaming market, mostly via comparison products, attracts online players and refers those players to iGaming operators. These products usually have high ranking on Google due to its relevance leading to elevated conversion of the traffic entering our assets.

### Media

Our media assets attract visitors primarily through direct traffic. Assets in this category include online guides and online communities that consist of informative and interactive content, such as news, blogs, game tips, live scores and TV guides. Media assets help increase user awareness about brands, as well as create a clearer

preference for a particular advertiser which tends to generate a large amount of recurring traffic.

### Network

Lead generator through sub-affiliation in form of a high qualitative technical platform together with competence within conversion optimisation and paid media. Additionally, it offers unique and efficient access to new markets.

### User subscriptions

Pre-game insights and high-quality sports betting content served to sports fans by a dedicated team of experts, as well as rich content on a handful of sports assets and strong presence in social media and video.

## How we operate

### Benefits of scale

Centralised experts assure scalability, standardised workflows and best in class product quality. Our central operations team include top industry experts accelerating the transformation from idea to products and services.

### Data and automation

Real-time tracking, measurements, threshold alerts as well as granular optimisation based on user behavioural and commercial performance data.

### Win-win acquisitions

Mergers & Acquisitions are used to expand into new and growing markets or to add specific knowledge/ technologies that generates group growth or economies of scale. We offer quick and hassle free integrations where our central experts accelerate growth from the acquired assets from day one.

Our model engages the **relevant audience**





# Our Assets

## Comparison

The backbone of our operative model is SEO (search engine optimisation) that allows us to offer iGaming users relevant and up to date information from a wide selection of digital products. Comparison assets are a collection of comparison sites, which include websites that rank high enough for relevant keywords on search engines such as Google. These assets provide visitors with the latest and most relevant information in order to make an informed decision within each subject area. We strive to offer high quality content comparison assets to attract as much traffic as possible and for potential players to be directed to gaming operators at the next stage.

## Guides

Online guides are media assets, provided through websites and mobile applications, containing specialist information for selected segments. It provides users with all the content sought, while giving user-friendliness and functionality a priority. The focus of these assets is to build long-term relationships with users, thereby achieving high customer loyalty and recurrence rates.

## Communities

Community websites contain discussion forums, daily betting tips, informative data and statistics in various sports. Communities provide users with the latest information based on user interests, thus attracting a high number of returning visitors. Communities attract new users through searches, but also by providing users with a product that stands out through its content, design, ease of use and functionality. High activity by Raketech users in our communities' products increases the number of visitors primarily through recommendations.

## Rapidi

Rapidi.com is a consumer-facing online casino asset developed in-house and has been used primarily to collect player activity that will be used to enhance Raketech's core affiliate assets and improve lead conversion. Besides adding a small revenue contribution to the Group, we primarily use the data from Rapidi as a reference/index to better understand the performance of our customers i.e., the operators. This then helps us to understand and assist by providing useful information for them to make better use of traffic sent from our network.

# Platform for Growth

We aim to maximise the US opportunity by increasing investments into our newly acquired US operations. We will build a full scale local commercial and product organisation, supported by our central tech and analytics functions.

We will future proof the growth for our flagship products by developing the next generation of our most important assets. As part of this, we will invest in localisation to enable extended geographical reach.

We will create incremental revenue by extending our network offering. We aim to remove the administrative friction by offering a one-stop-shop for best in class commercials, BI tools and product functionality.

We will continue to drive our M&A agenda. We target regulated or soon-to-be regulated high growth markets and preferably where Raketech already has a presence.

“

**Through M&A we expand into regulated or soon-to be regulated high growth markets and we try to add specific scalable technological solutions to accelerate the Group's combined growth.”**

**Andreas Kovacs**  
Director Of Business Development

# Market Trends

*The trends, observations and opportunities that are the foundation for our strategy.*

## Size matters

To be able to benefit and monetise from increased complexity, user demand and operator expectations, scalable operations and operational size are key.

## US land grab

The US is growing and expected to continue to grow exponentially over the next three to five years. This means there will be a land grab race among the operators where growth is prioritised over profitability.

## Digitalisation

The world market is shifting from offline to online at a high pace thanks to general digitalisation and iGaming being easy to expand cross border.

## Regulated markets

Markets are regulating, one after the other which leads to long term stability and higher entry barriers for competition. However, competition from alternative sources (PPC, programmatic etc) increases. To be a first mover in combination with size and a wide service offering is a great opportunity.

## Consolidation creating global giants

Operators are consolidating and the large ones will dominate the global market. VIP programs for the operators where we grow with them into new markets and products is a great opportunity.

## Full range offerings and creating user value

Traditional affiliate “user acquisition only” efforts will gradually be complemented with retention and activation marketing in mature and regulated markets, which makes it important to own the relationship with the end user and being able to offer quality and engaging assets to monetise the relationship.

## Suppliers to play part in marketing value chain

Over time, operator offerings will diversify just like in other industries, leading to a higher number of game suppliers entering the marketing space. This is an opportunity to direct traffic to high value operators with the “right” product mix.



# Our view on Corporate Responsibility

***Raketech is committed to high corporate responsibility standards and promoting responsible gambling. Our core values guide our corporate and social responsibility outlook to ensure we safeguard our users, business partners, employees and other industry stakeholders. We take pride in being a responsible affiliate marketing company and, as an industry leader, believe we have a duty to lead by example in an increasingly significant area of the iGaming industry.***

## **Raketech's Corporate Responsibility**

Raketech's corporate responsibility focuses on player safety, protecting minors and advertising compliance. We refrain from misleading and unclear advertising and highlight the risks associated with gambling addiction. The industry is constantly evolving towards increased transparency and accountability. In order to be at the forefront of this evolution, Raketech has developed a comprehensive framework to ensure its regulatory compliance throughout all assets. We foresee that iGaming markets will become more regulated in the future, and corporate responsibility will continue to play a crucial role in our growth.

## **Raketech provides peace of mind**

There is a collective responsibility for gaming companies to ensure ethical promotion and advertising of gambling products. Raketech welcomes regulations implemented to protect consumers and the best interests of the iGaming industry. We work closely with gambling operators and industry stakeholders to help safeguard the long-term sustainability of the iGaming marketing industry.

Gambling operators are focused on identifying unsatisfactory regulatory compliance on the part of affiliate partners. Non-compliant affiliates are likely to have partnerships and future commission terminated by operators, as this otherwise leads to a direct regulatory risk for the operator. The gambling operators need to trust their affiliates and naturally only work with best-in-class companies that take compliance seriously, to minimise

reputational and financial risks outside of their control.

## **High levels of compliance and ethical standards**

We keep a close dialogue with our partners, peers and regulators to ensure compliance with regulations that apply to both Raketech and our customers. Raketech established a regulatory compliance function that monitors the continuous developments in the market, follows consumer marketing guidelines and works proactively on regulatory matters.

The Group published a responsibility statement to communicate a robust standpoint externally and to be transparent. All marketing is done in accordance with applicable laws and consumer protection regulation. We have a clear strategy to expand into new markets and this involves keeping up-to-date and complying with both regulatory standards in the markets where we operate and those we are targeting. Our legal team collaborate with law firms and legal advisors all around the world and Raketech continually receives legal updates in relation to our core markets.

## **Responsible gambling**

Responsible gambling is an important part of the iGaming industry, and we use our position as a leading gambling affiliate to advocate safer gambling. We have a mission to guide and inspire our users towards informed decisions, and a key part of this is providing information on how to enjoy gambling in moderation.

Raketech views online casino games and sports betting

as a form of entertainment that can be enjoyed in moderation, and this is the message we aim to promote across our products. People use our products for expert information that assists their decision-making when researching the iGaming industry and finding services to meet their needs – responsible gambling is a key part to this. A small number of people are negatively affected by gambling and can experience personal, social, health and financial issues. Raketech's responsibility guidelines help minimise the risk of promoting gambling to vulnerable, self-excluded or underage users.

## **Content is key to remaining compliant**

Raketech provides content that promotes a safe and secure experience for its users. We want gambling to be experienced as a form of entertainment and strive to provide content that encourages good bankroll management, advice on operator safety measures and information on regional organisations that provide expert help and advice.

Raketech's portfolio of iGaming assets has been updated with responsible gambling messages and new information on the tools available. We review products and services fairly, with clear and transparent content that we hope sends more educated and well-informed users to gambling operators.



# Employees

***At Raketech, our greatest assets are our employees, and that is why we offer great career opportunities with plenty of room for individual improvement and professional growth. Raketech is an equal opportunities employer, committed to providing a safe and respectful work environment, where everyone is treated with respect and dignity.***

Remote work is the primary way of working for all our employees and is the day-to-day default for individual work. We still have a physical in-person space in Malta that provides space for creativity, collaboration, and socialisation. Our "RaketechHUB" is not your traditional office made up of workstations and desks. Instead it was designed to create a space which is much more agile, flexible and informal.

At Raketech, we believe in continuous improvement, and improvement is nothing less than change to become better.

**Our slogan  
"Finding better  
ways to win"  
reaches deep into  
the DNA of our  
culture.**

We know that we are good in what we are doing, but we also understand that what is good today might not be good enough tomorrow. Therefore, everything we do today is to improve our tomorrow.

#### **The best things in life *can't be bought***

Raketech offers its employees competitive remuneration, and the best benefits cannot be bought with money. As a distributed organisation, we manage to attract and retain the best talent allowing everyone in #TeamRaketech to work with and learn from the best! Even though we are distributed all around the world, we still ensure that everyone is part of #TeamRaketech.

#### **We care for each other**

Delivering high growth is hard work. We encourage and support all employees in staying healthy. Health

benefits for employees aside, we also offer other well-being advantages to support their physical and mental health. All employees are encouraged to join daily mindfulness breaks and have access to professional mental health counselling sessions.

#### **Flexibility to follow our passions**

As a distributed organisation, we are able to provide our employees with the opportunity to professionally excel and focus on their careers without having to limit their personal lives and dreams.

#### **Diversity is key**

Our employees shape up our Culture. We proudly celebrate individuality in a diverse and inclusive context: a variety of cultures, backgrounds, and life experiences

that come together to make our team more colourful and our business stronger.

#### **US expansion**

During the year, Raketech further cemented its footprint in the US strategic market and established a coast-to-coast presence with the acquisitions of well-established sports betting and tipster brands A.T.S. Consultants Inc., QM Media and its subsidiary, P&P Vegas Group Inc. These acquisitions provided the welcomed addition of industry experts to Raketech's growing and thriving U.S. team distributed across the country and the Americas.

Our US team now spans four time zones and 17 states plus Washington, D.C., Canada, and countries in Central America.

## Gender Distribution

70%



30%





“

**At Raketech we believe in continuous improvement, and improvement is nothing less than change to become better”**

**Martin Shillig**  
Director of HR

**8.2/10**

**Employee Engagement**

**53**

**Employee Net Promoter Score<sup>1</sup>**

<sup>1</sup> Employee Net Promoter Score (eNPS) shows how likely employees are to recommend Raketech as a good place to work and it is used as a measurement of employee satisfaction. The score can range from -100 to 100, where 100 represents the highest score where all employees will advocate the company to others.



# The Share

Raketeck Group Holding PLC is listed on Nasdaq First North Premier Growth Market with the ticker RAKE. Raketeck's shares commenced trading on 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.

On 31 December 2021, the share capital of Raketeck Group Holding PLC amounted to € 82,591 distributed among 41,295,601 shares. Each share entitles the holder to one vote and an equal share in the Company's assets and earnings.



As at 31 December 2021, the ten largest shareholders were the following:

| Share owner                   | Number of shares  | Capital/ Vote  |
|-------------------------------|-------------------|----------------|
| Tobias Persson Rosenqvist     | 4,047,495         | 9.80%          |
| QM Media AB                   | 3,881,968         | 9.40%          |
| Martin Larsson (Chalex AB)    | 3,840,916         | 9.30%          |
| Erik Skarp                    | 3,353,265         | 8.12%          |
| Johan Svensson                | 3,300,000         | 7.99%          |
| Avanza Pension                | 3,045,949         | 7.38%          |
| Nordnet Pensionsförsäkring    | 2,238,088         | 5.42%          |
| Provobis Holding AB           | 2,050,000         | 4.96%          |
| Swedbank Försäkring           | 1,711,685         | 4.14%          |
| Reine Beck                    | 1,512,325         | 3.66%          |
| <b>Total top 10 owners</b>    | <b>28,981,691</b> | <b>70.18%</b>  |
| <b>Total number of shares</b> | <b>41,295,601</b> | <b>100.00%</b> |

| Data per share               | Dec-21     | Dec-20     |
|------------------------------|------------|------------|
| Earnings before dilution €   | 0,18       | 0,15       |
| Earnings after dilution €    | 0,18       | 0,15       |
| Operating cash flow €        | 0,35       | 0,33       |
| Equity before dilution €     | 2,06       | 1,89       |
| Equity after dilution €      | 1,99       | 1,84       |
| Share price 31 Dec SEK       | 23,9       | 10,8       |
| P/S multiple SEK             | 2,49       | 1,37       |
| P/E multiple SEK             | 12,90      | 7,16       |
| Number of shares at year end | 41,295,601 | 37,413,633 |

## Market capitalisation, price trend and turnover

In 2021, the price of Raketeck's share increased from SEK 10.8 (opening price) to SEK 23.9 (closing price) on 31 December 2021, an increase of 121.3%. During the same period, the Nasdaq First North Sweden's index (FNSESEKPI) decreased by 1.5%.

The lowest price paid for the share during the year was

SEK 10.45 on 4 January, and the highest was SEK 24 on 13 December. The year-end price gave Raketeck a market capitalisation of SEK 987 million. Share trades were concluded on every business day of the year. Average daily trading was 102,017 shares.

## Shareholders

At the end of 2021 Raketeck had 1,707 shareholders. The six members of the management team had a total holding in Raketeck of 199,891 shares and 1,265,167 options and Raketeck's Board members held a total of 7,678,072 shares.

## Shareholder communications

Raketeck's aim is to use continuous and transparent financial communication characterised by correct, clear and relevant information to all capital market participants and interested members of the public, as well as to ensure an in-depth and trusting dialogue with the capital market. Management of Raketeck is strongly committed to continue delivering solid results and maintaining an open and transparent dialogue with owners and investors to secure a long-term positive development of the share price. Management of Raketeck greatly emphasise communicating with investors and owners to increase knowledge of the Group.

## Dividend policy

Raketeck operates in a growing market under ongoing consolidation. In order to capitalise on existing growth opportunities, the Company intends to prioritise growth activities, including acquisitions. Any dividend paid will be subject to Raketeck's overall financial position, growth prospects, profitability, acquisition opportunities and cash flow. For the AGM in 2022 no dividend will be proposed to the Company's shareholders.



# Corporate Governance Report

Corporate governance is the system by which companies are directed and controlled and refers to the set of systems, principles and processes by which a company is governed. Raketech Group Holding PLC (the “Company” or “Raketech” or the “Group”) is committed to maintaining a high standard of corporate governance in complying with the Swedish Code of Corporate Governance.

Corporate governance encompasses the systems for decision-making and the structure through which shareholders control the Company, directly and indirectly. This report summarises the Group’s corporate governance practices that were in place throughout the financial year ended 31 December 2021.

## Framework for Corporate Governance at Raketech

Raketech is a Maltese public limited company, listed on Nasdaq First North Premier Growth Market since 29 June 2018 with its registered office and headquarters in Malta. In line with the Company’s structure, governance, management and control is divided among the Company’s shareholders, the Board of Directors, the CEO and the rest of the Executive Management in accordance with prevailing laws and regulations.

The Swedish Code of Corporate Governance (“the Code”) specifies that good corporate governance means ensuring that companies are run sustainably, responsibly and as efficiently as possible on behalf of their shareholders in a way to maximise the value for the shareholders and thereby meet the shareholders’ requirements on invested capital. Raketech is committed to a healthy corporate governance structure which strengthens and maintains confidence

in the Company. The objective of corporate governance is to regulate the division of roles among shareholders, the Board and Executive Management more comprehensively than is required by legislation.

The foundation of the corporate governance structure at Raketech comprises its Memorandum and Articles of Association, the Maltese Companies Act (Chapter 386 of the Laws of Malta) and the Swedish Code of Corporate Governance, and other applicable rules and laws.

In addition to external governance instruments and the Company’s Memorandum and Articles of Association, the Board has, in close cooperation with the Company’s Executive Management, established a comprehensive framework of guidance documents. These include the CEO instruction, Code of Conduct, Board instructions and other policy documents, such as the Communication Policy and Risk Management Policy. These policies and standards are evaluated and updated on a regular basis. Raketech do however believe that the foundation of functioning corporate governance is not only through formal documentation but also through the corporate culture within Raketech and the corporate goal and the working methods within the Company.

## The Swedish Code of Corporate Governance

In combination with Raketech’s listing of shares on Nasdaq First North Premier Growth Market, Raketech adopted the Swedish Code of Corporate Governance (the current Code is available on the Swedish Corporate Governance Board’s website [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se)). This is in line with the Nasdaq First North Nordic – Rulebook (Rulebook), that stipulates the possibility to choose between the Swedish code or the local corporate governance code in the country where the Company is incorporated, i.e. Malta. It should however be noted that the Maltese and Swedish codes of corporate governance share a number of similar or common principles.

The Code forms part of the self-regulation of the corporate sector and defines a norm for good corporate governance. The Code is based on the principle of “comply or explain”, meaning that companies are not obliged to comply with every rule in the Code, but are allowed the freedom to choose alternative solutions, as long every deviation is explained and described. The Code is applied in full by Raketech and any deviation from this is clearly stated in this Corporate Governance report along with an explanation of Raketech’s reasoning. In 2021, no deviations from the Code have been made.

## Memorandum and Articles of Association

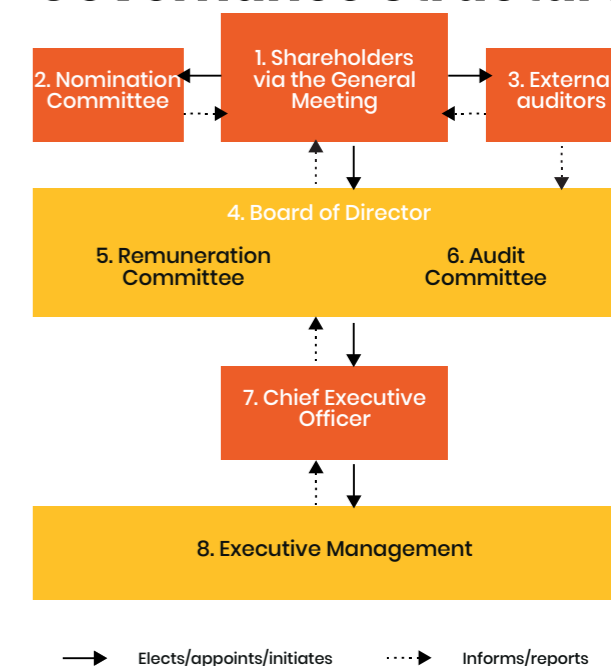
The Memorandum and Articles of Association establish the kind of business to be undertaken within Raketech, the means by which the shareholders exercise control over the Board of Directors, the number of directors, auditors, and their responsibilities.

Further, the Articles cover limitations on the share capital and the number of shares within the Company and how a General Meeting notice is announced, where General Meetings shall be held and deciding the total permitted number of Board members. The current Articles of Association, adopted by the Annual General Meeting (AGM) on 28 May 2018, are available to view on the Company’s website, [www.raketech.com](http://www.raketech.com).

The Company may amend its Memorandum and

Articles of Association by an extraordinary resolution in terms of Article 79 (1) of the Maltese Companies Act (Chapter 386 of the Laws of Malta).

## Raketech’s Corporate Governance Structure



### 1 The shareholders and General Meetings

Raketech was listed on Nasdaq First North Premier Growth Market on 29 June 2018.

Raketech’s share capital amounted to € 82,591, divided between a total of 41,295,601 shares held by 1,707 shareholders as at 31 December 2021. On 20 December 2021, the Board of Directors of the Company has authorised the issuance of further 1,023,509 shares, but those shares have not been issued yet. The Company has one class of shares, and any purchases or sales of own shares are carried out over the stock exchange. The Articles of Association do not impose any restrictions on voting rights, all shares have equal rights (one vote per share) and an equal contribution to the Company’s capital and profit.

At the same time, the Company’s largest shareholders at 31 December 2021 are Tobias Persson Rosenqvist with 9.80% of the share capital and votes, QM Media AB with 9.40% of the share capital and votes, Martin Larsson with 9.30% per cent of the share capital and votes, Erik Skarp with 8.12% of the share capital and votes and Johan

Svensson with 7.99% of the share capital and votes. The ten largest shareholders represented 70.18% of the share capital and votes.

### 1.1 General meeting

General Meetings are Raketech's highest decision-making body of the Company. Raketech encourages all shareholders to participate, in order to exercise their influence on the Company. Each shareholder has the right to participate in the general meetings and to vote according to the number of shares owned. Shareholders who are not able to attend in person may exercise their rights by proxy.

Every year, the Company shall hold an AGM within six months of the end of the financial year. All General Meetings shall be held in Stockholm or in Malta, in accordance with the decisions of the Board of Directors. The date and venue for the AGM will be announced in connection with the third interim report each year. A public notice of the AGM is published no later than four weeks prior to the meeting.

The AGM's mandatory duties include making decisions on:

- approval of the consolidated financial statement (including the statement of comprehensive income and the statement financial position),
- appropriation of profits and dividends,
- election of the Board of Directors and auditors,
- determination of fees for the Board members and the auditors and
- principles for the appointment of the Nomination Committee at the following AGM.

All shareholders registered in the shareholder's register on a given record day, and who have notified their attendance in due time, have the right to participate in the meeting and vote in proportion with their holding of shares. Detailed information on how shareholders can raise a matter at the meeting and the deadline for making a request, is listed on the Company's website.

One or a combination of shareholders who hold 5% or more of the share capital, have a right to demand that a matter is added to the agenda for the General Meeting in accordance with Article 65 in the Articles of Association. The matter must be justified and include a proposed resolution in order to be presented at the General Meeting and be submitted no later than 46 days before the day of the General Meeting.

Resolutions at a General Meeting are usually passed with a simple majority of votes. However, in accordance with the Maltese Companies Act (Chapter 386 of the

Laws of Malta), certain matters will require approval by a higher percentage of the votes and votes represented at the General Meeting.

### 1.2 Annual General Meeting 2021

The 2021 AGM was held on 17 May 2021 in Stockholm, where a total of 6,477,911 shares and votes were represented at the meeting, corresponding to 17,3% of the total amount of shares and votes in the Company. The minutes of the meeting, as well as other documentation from the meeting, are available on the Company's website.

The meeting resolved to adopt the Board of Directors proposal for guidelines for remuneration to Senior Management and to adopt an incentive program. The program comprises of shares options which the participants are entitled to exercise for shares in Raketech after a three-year vesting period. The program comprises not more than 25 participants and in total 561,204 share options.

### 1.3 Extraordinary General Meeting

No extraordinary General Meetings have been held during the year to 31 December 2021.

### 1.4 Annual General Meeting 2021

The 2022 AGM will take place at 13.00 on 17 May 2022, at Smålandsgatan 20 in Stockholm. Notification of the Meeting will be issued on the Company's website, where required documents, such as the information providing the basis for decisions, will also be made available prior to the Meeting.

## 2 Nomination Committee

In line with the Code, the AGM resolves the principles for the Nomination Committee, the duties of which shall include proposals regarding candidates of members of the Board of Directors, the Chairman of the Board of Directors, the Chairman for the AGM and appointment of the auditor. In addition, the Nomination Committee shall also propose remunerations for the chairman of the Board of Directors, other Board members, the auditor and remuneration for work in Committees, if any.

The Nomination Committee shall be composed of five members, including one representative for each of the four largest shareholders and one Board member independent of the Company's management. When a shareholder who has appointed a member to the Nomination Committee is no longer one of the largest owners, due to a reduction in the said owner's shareholdings or an increase in another owner's shareholdings, the member appointed by the former largest shareholder will relinquish his/her place and will be replaced by a member appointed by the new

largest shareholder (exception made if the change in the shareholding occurs later than three months prior to the AGM, in which case no change will be made). If any of the shareholders waives its right to appoint a representative, the right to appointment shall be transferred to the next largest shareholder in turn, after the above-mentioned shareholders.

If a member of the Nomination Committee steps down voluntarily from the committee before its work is completed, the shareholder who elected that member would appoint a successor, provided that the shareholder is still one of the four largest ones.

Unless the members agree otherwise, the Nomination Committee will be chaired by the member who represents the largest shareholder in terms of votes. However, a member of the Board of Directors will not be Chairman of the Nomination Committee.

The term of the Nomination Committee shall be until a new Nomination Committee has been appointed. The names of the members of the Nomination Committee must be published no later than six months prior to the AGM. The proposals of the Nomination Committee are presented in the notice of the AGM and on the Company's website.

Candidates sought by the Nomination Committee are those that, together with the existing members, can provide the Board of Directors with the appropriate combination of skills and competence. This should include experience from executive positions in listed or similar companies, expertise in the gaming sectors or experience in related industries.

The 2022 Nomination Committee comprises:

| Representative   | Shareholders                 | Voting power in % as at 31 December 2021 |
|--|------------------------------|--|
| Martin Larsson, Chairman of the Nomination Committee             | Chalex i Göteborg AB         | 9.30%                                    |
| Tobias Persson Rosenqvist  | Swiss Life (Lichtenstein) AG | 9.80%                                    |
| Erik Skarp (Member of the Board of Directors of Raketech)        | Light Showdown Ltd           | 8.12%                                    |
| Peter Björnström   | Akterbog Ltd                 | 7.99%                                    |
| Ulrik Bengtsson (Chairman of the Board of Directors of Raketech) |                              | 0.08%                                    |

### 2.1 Independence of the Nomination Committee

The Code stipulates that a majority of the members of

the Nomination Committee are to be independent of the Company and its Executive Management. Further it stipulates that at least one member of the Nomination Committee is to be independent of the Company's largest shareholders in terms of votes. All members of the Nomination Committee are independent in relation to the Company and the Company's management.

## 3 Board of Directors

### 3.1 Responsibilities and duties of the Board of Directors

The Board of Directors is the most superior decision-making body of the Company, next after the General Meeting. The Board has the ultimate responsibility for the management of the Company and for supervising its day-to-day management and activities in general. This includes developing the Company's strategy and monitoring its implementation, in order to represent the best interests of the Company and its shareholders. The duties of the Board are set forth in the Maltese Companies Act, the Company's Memorandum and Articles of Association, the Code and the Board instructions. Such regulations and instructions stipulate the mandatory tasks of the Board of Directors, which includes determining the Company's overall targets and strategies. Further, the duties include evaluating the CEO, ensuring that there are systems in place to monitor and control the operations and associated risks, ensuring that there is satisfactory control of the Company's regulatory compliance and ensuring that the information issued by the Company is transparent, accurate, relevant and reliable. The Board also has a process for the monitoring and approval of related party transactions.

In accordance with the Company's Memorandum and Articles of Association, Raketech's Board of Directors shall comprise of at least three and no more than six members. The AGM determines the precise number of members. A board member's seat applies until the end of the first AGM one year after the Board member was appointed, whereby the respective Board member is available for re-election.

The Board members are appointed through a simple majority vote represented at the General Meeting. In addition to this, the Board members have a right to fill vacancies and appoint new Board members in the Company under certain conditions in accordance with Article 113 of the Company's Articles of Association. The shareholders may resolve to dismiss the Board member through a resolution at a General Meeting passed with a simple majority of votes represented at the General Meeting.

### 3.2 Board of Directors 2021 and its remuneration

The Board consists of six members, Ulrik Bengtsson (Chairman), Erik Skarp, Johan Svensson, Fredrik Svederman, Annika Billberg and Magnus Gottås. Johan Svensson is also a consultant to the Company, in connection with Raketech's M&A strategy. Erik Skarp, Johan Svensson, Fredrik Svederman, and Annika Billberg were re-elected during the 2021 AGM, Ulrik Bengtsson was elected as the new Chairman of the Board and Magnus Gottås was elected as a new member of the Board. The members of the Board are

| Board member   | Ulrik Bengtsson                                   | Erik Skarp                                      | Johan Svensson | Fredrik Svederman               | Annika Billberg                      | Magnus Gottås |
|--|---|---|----------------|---------------------------------|--------------------------------------|---------------|
| <b>Positions</b>   | Chairman of the Board                             | Board member                                    | Board member   | Board member                    | Board member                         | Board member  |
|  | Member Committee: Nomination Remuneration (chair) | Member Committee: Nomination Audit Remuneration |                | Member Committee: Audit (chair) | Member Committee: Audit Remuneration |               |
| <b>Board fee</b>   | € 50,000  | € 30,000  | -              | € 30,000                        | € 30,000                             | € 30,000      |
| <b>Committee fee</b>   | € 10,000  | -   | -              | € 10,000                        | -                                    | -             |
| <b>Salary/consultants fee paid during 2021</b>                             | -   | -   | € 225,000      | -                               | -                                    | -             |
| <b>Independent in relation to the Company and its Executive Management</b> | Yes   | Yes   | No             | Yes                             | Yes                                  | Yes           |
| <b>Independent in relation to major shareholders</b>                       | Yes   | Yes   | Yes            | Yes                             | Yes                                  | Yes           |
| <b>Own and related parties' shareholdings 211231</b>                       | 35,000  | 3,353,265                                       | 3,300,000      | 500,000                         | 17,400                               | 507,407       |

In 2021, Christian Lundberg and Patrik Bloch were members of the Board during the four first months of the year. They did not stand for re-election at the AGM in May 2021. Their yearly remuneration was € 50,000 and € 30,000 respectively.

### 3.3 Board meetings 2021

The Board of Directors holds regular meetings each year, and during 2021 the Board held ten minuted meetings and one per capsulam meetings. The work of the Board follows a specific plan and all of the meetings held during the year followed an agenda that was provided to the Board members before the respective meeting together with relevant documentation.

The meetings comprise the CEO's review of developments within the operations, current issues concerning important events, the underlying

presented in further details on pages 32-34.

Remuneration and other benefits to the Board and the Chairman of the Board, including Board committees, are decided at the AGM. At the AGM 2021, it was resolved that the total compensation for the Board members for the financial year 2021 shall amount to € 190,000. Further, it was resolved that no director having an operational role in the Company or its subsidiaries under which the director receives a salary or a consultancy fee shall receive any compensation for the work conducted as a member of the Board of Directors and any committee.

operational performance, potential acquisitions and legal trends in the gaming market. At the meetings, the CFO reports on the financial performance of the Company. Other executives in the Group participate in Board meetings from time to time as required, either to report on specific issues or to serve as secretary.

In addition, the Company's auditor report their observations based on the performed audit of the financial statements and their assessment of the Company's internal procedures and controls. On a monthly basis, the Board also receives a detailed operational report of the Company's financial performance.

### 3.4 Independence of Board members

The Code stipulates that the majority of the Board of the Directors elected by the AGM must be independent of the Company and the Company's management and that

at least two of the independent Board members must also be independent in relation to the Company's major shareholders. A major shareholder is defined as controlling, directly or indirectly, at least 10% of the shares or votes in the Company. The Board fulfils the Code's requirements of independence as five (83%) Board members are independent in relation to the Company and the Company's management. Out of these five independent Board members, all five are also independent in relation to major Shareholders of the Company.

A Board member may not take part in decisions where he/she is in any way, directly or indirectly, interested in a contract or arrangement. This comprises of decisions regarding agreements between a Board member and the Company, agreements between the Company and third parties in which the Board member has a material interest, as well as agreements between the Company and the legal entity that the Board member represents. Such director shall declare the nature of his/her interest to the other directors either at the meeting of the directors at which such matter is first taken into consideration, or, if the director was not present at the date of that meeting interested in the contract or arrangement, at the next meeting of the directors held after he/she became so interested.

### 3.5 Evaluation of the Board and the CEO and management

The Board of Directors is evaluated annually through anonymous questionnaires with the aim of developing the Board's working methods and efficiency. The result is reported to the Nomination Committee and lies as the foundation for the potential nomination of the Board of Directors. Performed evaluations during 2021 led to an overall conclusion that there is a well-balanced mix of competencies among the current Board of Directors and that the Board's performance and efficiency is found to be satisfactory.

The Board continuously evaluates the work of the CEO and Executive Management. The evaluation done is also carried out through anonymous questionnaires. The evaluation is done at least on a yearly basis or when needed and the result acts as the base for the structure of the Executive Management team going forward.

### 3.6 Board committees

In addition to the above, the Board of Directors has appointed two sub-committees composed of Board members; the Remuneration Committee and the Audit Committee. The Board has established and stipulated instructions for each committee.

### 3.7 Attendance at Board and Committee meetings

| Board member       | Board meetings | Audit Committee | Remuneration Committee |
|--------------------|----------------|-----------------|------------------------|
| Ulrik Bengtsson    | 7/10           | -               | 3/3                    |
| Erik Skarp         | 10/10          | 5/5             | 3/3                    |
| Johan Svensson     | 10/10          | -               | -                      |
| Fredrik Svederman  | 10/10          | 5/5             | -                      |
| Annika Billberg    | 10/10          | 5/5             | 3/3                    |
| Magnus Gottås      | 7/10           | -               | -                      |
| Christian Lundberg | 3/10           | -               | -                      |
| Patrik Bloch       | 3/10           | -               | -                      |

## 4 Remuneration Committee

The Remuneration Committee is comprised of Ulrik Bengtsson (chairman), Annika Billberg and Erik Skarp, who all are independent of the Company and its management. The primary duties of the Remuneration Committee include preparing matters regarding salary and other remuneration benefits for the CEO and the Senior Management for decision by the Board. The Remuneration Committee also makes an independent assessment of ongoing and completed programmes for variable remuneration to the Executive Management.

During 2021, three meetings were held, at which all members attended as well as the Director of HR, Martin Schillig.

## 5 Audit committee

The Board's Audit Committee monitors the Company's financial reporting by examining important accounting matters and other factors that may affect the qualitative content of the financial reports. The Committee provides recommendations and proposals concerning the financial reporting. Further, the Committee monitors the effectiveness of the Company's internal control with regard to financial reporting, as well as the external auditors' impartiality and independence. The Committee evaluates the audit work and assists the Nomination Committee in appointing auditors. In addition, the Committee has regular contact with the auditors who regular reports on significant matters that have emerged from the statutory audit.

The Audit Committee shall consist of at least three members, of which at least one shall have accounting and auditing expertise. The Audit Committee comprised three members of the Board appointed by the Board:



Fredrik Svederman (Chairman), Erik Skarp and Annika Billberg. All three members are independent of the Company and its Executive Management and also independent in relation to the Company's shareholders.

During 2021, five meetings were held, to which all members attended.

## 6 Auditors

The auditor is appointed by the AGM for the period until the end of the following year's AGM. At the AGM held on 17 May 2021, PricewaterhouseCoopers Malta was elected as the Company's auditor. Romina Soler, Authorised Public Accountant and member of the Malta Institute of Accountants is the engagement leader. The auditors are accountable to the shareholders. They carry out an audit and submit an audit report covering the Annual Report.

The auditor has the task of auditing Raketech's Annual Report on behalf of the shareholders and making a statement on whether or not the Annual Report provides a true and fair view, according to IFRS as adopted by the EU and requirements according to the Maltese Companies Act (Chapter 386 of the Laws of Malta). In connection with the nine-month report, the auditor also conducts a review according to ISRE 2410. In addition, the auditor reports orally and in writing to the Audit Committee as to how their audit was conducted and their assessment of the Company's administrative order and internal control.

A resolution was passed at the 2021 AGM whereby it was confirmed that the Nomination Committee approved that the auditor's fee shall be payable in accordance with any invoice approved by the Remuneration Committee.

## 7 Chief Executive Officer

The CEO is appointed by the Board to lead the Company's day-to-day operations, for which the Board issues a mandate for the work of the CEO. There is a clear division of responsibilities between the Board and the CEO, which is set forth by the formal work plan for the Board and the CEO's instructions. In addition to instructions from the Board, the CEO is obliged to comply with the provisions of the Maltese Companies Act (Chapter 386 of the Laws of Malta).

The CEO leads the work of the Company and makes decisions with other members of the Executive Management team. At the end of 2021, there were five management executives, which the CEO appoints in consultation with the Board of Directors. The CEO is also a presenter at Board meetings and shall ensure that the Board's members are continuously sent the information needed to monitor the Company's position,

performance, liquidity and development. The CEO's work is continuously evaluated by the Board in accordance with the requirements of the Code.

Oskar Mühlbach is the CEO of the Company since December 2019. Oskar has no significant assignments outside the Company. His shareholdings in the Company and those of close relatives are 171,261 shares. In addition, Oskar holds a total of 556,204 options.

## 8 Executive Management

The Executive Management holds regular operational meetings and ensures that the day-to-day management of the Company is carried out. At the end of 2021, the Executive Management team consisted of CFO Måns Svalborn, Director of HR Martin Schillig, Director of Business Development Andreas Kovacs, COO Oscar Karlsten and CIO Krzysztof Majewski, who joined Raketech in July 2021. In January 2022, Danielle Parsons and Ian Hill joined the Executive Management team as the newly appointed US Managing Director and Malta Managing Director respectively.

The CEO and the Executive Management are presented on pages 36-39.

## Remuneration to Senior Management

At the 2021 AGM, it was resolved to approve the guidelines for remuneration of Senior Management for the period up until the next AGM. Senior Management refer to the CEO and the Executive Management team of Raketech. The purpose of the guidelines is to ensure that Raketech can attract, motivate and retain senior executives with the skills and experience required to achieve Raketech's operational goals.

The remuneration offered by the Company shall be competitive and in line with market practice, as well as aligned with shareholders' interests. Remuneration to Senior Management shall consist of a fixed salary. The Company also offers a long-term incentive program for Senior Management staff members and other employees within the Company or its subsidiaries. These are designed with the aim of achieving increased alignment between the interest of the participating individual and those of the Company's shareholders. The established incentive programmes run over three years in line with the Code.

These components combined are intended to create a well-balanced remuneration model reflecting individual competences, responsibilities and performance, both

short-term and long-term, as well as the Company's overall performance.

## Risk management and internal control

### Internal Control

The Board of Directors has the overall responsibility for the internal control of the Company and the Board ensures that the Company has sound risk management and an internal control system put in place that is appropriate to its activities. Internal control is the methods and processes put in place by Management and the Board through which the Company ensures the organisation meets its objectives and ensures its existence going forward. Effective and efficient internal control provides comfort for the Company's stakeholders in an efficient conduct of the Company's business, the safeguarding of assets, the prevention and detection of fraud, the completeness and accuracy of financial records and the timely preparation of financial statements. Well-working processes and controls reduce both the operational and financial risks as well as the risk of fraud - this is why internal control is imperative within the Company.

### Control environment

The control environment is fundamental to Raketech's internal control regarding financial reporting and the organisational structure. Raketech's internal control structure is based on a clear allocation of responsibilities and work assignments between the Board, the CEO, Executive Management and the operational activity. The division of roles and responsibilities within the rules of procedure aim to facilitate an effective management of the Company's risk. The Board of Directors and Management establish the control environment through policies, procedures, processes, standards and structures providing the basis for carrying out internal controls at Raketech. These steering documents include the Board's instruction, the CEO instruction, Risk Management policy, Communication policy, Insider policy and the Code of Conduct. Governing documents and detailed process descriptions are communicated via established information and communication channels and are therefore available and known to the staff within Raketech.

Raketech has established an Audit Committee, in line with the Code, who is tasked with monitoring the effectiveness and efficiency of the Company's internal

control and risk management. The resulting control environment has a pervasive impact on the overall system of internal control.

### Risk assessment

Risk assessment is a vital part of the internal control process and comprises identification and management of the risks that may affect financial reporting, as well as the control activities aimed at preventing, detecting and correcting errors and deviations.

The identified risks shall be assessed on what the impact will be if a situation arises that triggers the risk. It should be defined if the risks are considered, significant, moderate or limited. Also, the identified risks shall be assessed on how likely they are to occur within five years from the date of the risk assessment.

Based on the risk identification and assessment performed, internal controls shall be designed to cover the risks where applicable. The internal controls shall be phrased as requirements in order to describe the minimum level of efforts expected to establish an effective internal control environment throughout the different business processes. Particular focus is placed on the risk of fraud and the risk of loss or embezzlement of assets.

During the year, Raketech mapped and assessed the most significant risks in the revenue and cost cycle in relation to financial reporting. Further, intangible assets are assessed on a continuous basis against the return they generate in order to ensure that the values reported in the Company's financial statements are correct. The Company operates through these intangible assets which is why the performance of impairment assessments is vital.

Performed risk assessments are presented to the Audit Committee and subsequently to the Board who ensures that sufficient risk assessments are carried out prior to all decisions of a material nature. The Board and the Executive Management deals with the outcome of the Company's procedures for risk assessment and identifies, when appropriate, any action that needs to be taken.

### Control activities

Various control activities are incorporated in the Company's system and procedure, including the financial reporting process. These control activities are aimed at preventing, detecting and correcting errors and deviations. One of the major control activities within the Company is the instructions, to which the Company ensures that the staff concerned

are aware of and have access to instructions of significance to the tasks performed. Further, high information security is a precondition for good internal control of financial reporting.

As part of the quality control work for financial reporting, the Board has set up an Audit Committee as a control activity, that processes crucial accounting matters and the financial reports produced.

## Information and communication

The Company has information and communication channels with the aim of achieving completeness and correctness in its financial reports, all of which is described in the Company's Communication Policy. The internal communication between the Board of Directors and Executive Management takes place through the board meetings but also through the Company's internal portal where financial and operational information is shared between the Executive Management and the Board of Directors. Internal communication between Executive Management and the rest of the organisation mainly takes place through monthly meetings but also through special workshops held within the Company. All policies are uploaded on the internal Group portal where these can be accessed.

The Company's CEO has, on behalf of the Board, been given the overall responsibility for managing and

handling insider information.

### Monitoring/Follow-up

In line with the Company's Risk policy, compliance and effectiveness of internal control are continuously monitored and evaluated. The effectiveness of the controls is to be assessed by defined persons throughout the organisation. The evaluation is led by the Company's CFO and the results are to be compiled by the CFO and presented to the Executive Management team and the Board of Directors.

Both Executive Management and the Board regularly receive reports that includes sales, monthly income statements and cash flow reports, including management's comments on operational trends. Furthermore, review and approval of policies are done on a yearly basis by the Board.

### Internal audit

Raketech has chosen not to establish a formal internal audit function in the Company but rather opted to focus on implementing a process for identification of risks, the establishment of controls and a self-evaluation of controls. The framework in itself, the results and the outcomes are reviewed by the Executive Management and the Board of Directors. The Audit Committee is responsible together with the Board for compliance in accordance with the established principles of internal control. The Audit Committee has full freedom to call for

# Members of the Board

***According to Raketech's Articles of Association, the Board of Directors shall consist of no less than three and no more than six members. Five members of the Board are independent in relation to the Company's shareholders and the Company's management.***

## Ulrik Bengtsson



**Born:** 1972  
**Elected:** May 2021 (Chairman of the Board)  
**Education:** Bachelor of Commerce at Dalhousie University.

Mr Bengtsson is currently the Group Chief Executive Officer at William Hill, where he has previously also held the position as Chief Digital Officer (until 2019). He has also served as Group Chief Executive Officer and President at Betsson (until 2017).

**Own and related party shareholding in Raketech Group Holding PLC:** 35,000

**Independent in relation to the Company / major shareholders:** Yes/Yes

## Fredrik Svederman



**Born:** 1970  
**Elected:** April 2017  
**Education:** Bachelor's in Business Administration, Stockholm University, studies at UCLA, UC Berkeley.

Mr Svederman is currently the Group Financial Controller at Evolution Gaming, where he previously has held positions as board member at various group companies within Evolution Gaming Group AB (publ) (until 2016) and he was the CFO of Evolution Gaming Group AB (publ) (until 2017). Before Evolution Gaming, Mr Svederman was the CFO at Nordnet Bank (until 2010).

**Own and related party shareholding in Raketech Group Holding PLC:** 500,000 (through endowment insurance)

**Independent in relation to the Company / major shareholders:** Yes/Yes

## Annika Billberg



**Born:** 1975  
**Elected:** May 2018  
**Education:** MSc Business Economics at the International Business School in Jönköping and the University of Business & Economics in Vienna.

Ms Billberg is currently Chairman of the Board at YMR Track Club AB and a member of the Board in ShortCutMedia Group. She is the founder and CEO of True Communications AB. Previously she held the position as Chief Brand & Communications Officer at Intrum AB (until 2018) and Communications and Marketing Director (until 2017) and IR and Communications Director (until 2014) at Intrum Justitia AB.

**Own and related party shareholding in Raketech Group Holding PLC:** 17,400

**Independent in relation to the Company / major shareholders:** Yes/Yes

## Erik Skarp



**Born:** 1985  
**Elected:** September 2016  
**Education:** Upper secondary education, Polhemskolan, Lund.

Mr Skarp is the founder of Raketech Group Holding PLC and board member at Gameday Group Ltd and Light Showdown Limited and founder and CEO of BetHard Group Ltd.

**Own and related party shareholding in Raketech Group Holding PLC:** 3,353,265 (through company)

**Independent in relation to the Company / major shareholders:** Yes/Yes



## Johan Svensson



**Born:** 1985  
**Elected:** September 2016  
**Education:** Upper secondary education, Af Chapman Gymnasiet Karlskrona.

Mr Svensson is the founder and was the CEO of Raketech Group Holding PLC until 2017 when he assumed the role as Chief Commercial Officer (until 2019). He now serves Raketech as a consultant with focus on M&A and business integrations. Mr Svensson is also the founder and board member of BetHard Group Ltd, board member in Gameday Group Ltd and Akterbog Ltd.

*Own and related party shareholding in Raketech Group Holding PLC:* 3,300,000 shares (through company)

*Independent in relation to the Company / major shareholders:* No/Yes

## Magnus Gottås



**Born:** 1978  
**Elected:** May 2021  
**Education:** Master of Science in Finance at Stockholm School of Economics.

Mr Gottås is Head of Nordic region at Tenzing, a London based private equity fund focused on investments in technology companies. He was previously Director at Bridgepoint Development Capital (2010-2018). While at Bridgepoint he was an investor in Trustly, Vitamin Well, FCG, KGH Customs Services, Unifaun and Solhaggruppen.

*Own and related party shareholding in Raketech Group Holding PLC:* 507,407

*Independent in relation to the Company / major shareholders:* Yes/Yes

# Senior Management Team

# Andreas Kovacs



## Director Of Business Development

**Born:** 1984

**Education:** Masters in Economics and Auditing, Umeå University and University of Zürich, Bachelor in Marketing, Umeå University.

Mr Kovacs was the CFO of Raketech Group Holding PLC until 2019 when he assumed the role as Director of Business in Development. Prior to this, he was Senior Manager at BDO Corporate Finance AB (until 2017), Manager of Corporate Finance at Mazars (until 2014), Senior Consultant Transaction Services at PwC (until 2013) and accountant at PwC (until 2010).

Mr Kovacs is presently board member at PSC Entertainment Limited and Company Secretary at Tuffle Enterprises Limited.

**Holding in Raketech Group Holding PLC:** 18,630 shares and 130,000 options

# Måns Svalborn



## Chief Financial Officer

**Born:** 1979

**Education:** Master of Science in Business and Economics at Uppsala University.

Mr Svalborn joined Raketech Group Holding PLC as CFO during 2019. Prior to Raketech he was CFO at Credorax Bank Limited, Head of Group Regulatory Financial Reporting at Nordea Bank (until 2018), Head of Legal and Regulatory Reporting Norway at Nordea Bank (until 2017) and Group Finance Manager at Öhman Group (until 2015).

**Holding in Raketech Group Holding PLC:** 10,000 shares and 207,241 options

# Oskar Mühlbach



## Chief Executive Officer

**Born:** 1980

**Education:** Masters in Business Management and engineering at Luleå University of Technology.

Oskar Mühlbach, CEO of Raketech since December 2019, initially joined the Company as a Senior Advisory Consultant in late 2018 and was in May 2019 appointed to COO. Prior to Raketech Mr Mühlbach has held several senior positions within some of the Nordic region's most successful e-commerce and iGaming companies.

Mr Mühlbach's most recent position was as Chief Ventures Officer and Managing Director of Mr Green Ltd's digital media agency Green Media and before that as COO of Mr Green Ltd. Among other positions, he has furthermore been Partner and member of the management team at digital shoe retailer Footway Group as well as COO at the global contact lens and glasses e-retailer Lensway.

**Holding in Raketech Group Holding PLC:** 171,261 shares and 556,204 options

# Oscar Karlsten



## Chief Operating Officer

**Born:** 1980

**Education:** Master of Business, major in Marketing at Bond University, Bachelor of Science in Business and Economics at Mid Sweden University.

Mr Karlsten joined Raketech Group Holding PLC as COO in May 2020. Prior to Raketech he was CIO at Catena Media (until 2020), CPO at Catena Media (until 2018) and PM Cross Promotion at Toca Boca (until 2015).

**Holding in Raketech Group Holding PLC:** 0 shares and 147,241 options

# Krzysztof Majewski



## Chief Information Officer

**Born:** 1984

**Education:** Masters of Business Administration at Kozminski University, SGH Warsaw School of Economics, Bialystok University of Technology.

Mr Majewski joined Raketech in July 2021 as CIO. He has previously served as Senior Director of Engineering at Postclick and Senior Director of Engineering at Instapage.

**Holding in Raketech Group Holding PLC:** 0 shares and 47,240 options

# Martin Schillig



## Director of Human Resources

**Born:** 1983

**Education:** Diplom Plegewirt (FH), HFH Hamburg, Advanced Award in Reward Management, QCF Level 7, Chartered Institute of Personnel and Development, certified Agile HR Manager, HR Pioneers.

Mr Schillig has been the Director of HR since July 2017. He was previously Head of HR Shared Services and HR Manager at Betsson Group (until 2017), HR Manager (until 2012) and HR Business Partner (until 2015) at Tipico Co.

**Holding in Raketech Group Holding PLC:** 9,855 shares and 177,241 options

# Danielle Parsons



## Managing Director, US

**Born:** 1981

**Education:** Bachelor of Arts in Communications (Cum Laude) from Lake Forest College, Lake Forest, IL USA.

Danielle Parsons joined Raketech in January 2022 as Managing Director for the US business unit. Prior to joining Raketech, Ms Parsons was the Senior Director of Product Partnerships at GAN (until Dec 2021), Interim Chief Technology Officer at USA Sports Gaming (until Jul 2020), Director of Product Management at Aristocrat (until May 2019) and Director of Client Services at Joingo (Until Oct 2018).

**Holding in Raketech Group Holding PLC:** 0 shares and 0 options

# Ian Hills



## Managing Director, MALTA

**Born:** 1980

**Education:** The Chartered Institute of Management Accountants (ACMA)

Ian Hills was appointed Managing Director for the Malta business unit in January 2022. Before joining the Company, Mr Hills held the positions as General Manager - Malta, (until Dec 2021) and Head of Finance and Commercial (until Apr 2020) at Blexr, he was Financial Controller at Mansa Gaming (until Nov 2018) and at Mr Green Online Casino (until Jan 2018).

**Holding in Raketech Group Holding PLC:** 0 shares and 0 options



# Directors' Report

**The directors present their report and the consolidated and separate audited financial statements of Raketech Group Holding PLC (the "Group") for the year ended 31 December 2021. The Group has nine subsidiaries; Raketech Group Limited, Casumba Media Ltd, Shogun Media Limited (in liquidation), Gamina Limited, TV Sports Guide Ltd, Infinileads S.L., Raketech US Inc., Raketech Inc. and P&P Vegas Group Inc.**

## Principal activities

Raketech is a performance marketing company that operates within the iGaming and sports betting industry. Raketech's role is to link iGaming operators with iGaming players by providing fact based and relevant content that supports players to make informed decisions.

Raketech started in 2010 as an online poker affiliate that focused on lead generation for the Scandinavian market. Today, Raketech has evolved into a digital marketing specialist that delivers high-quality media products that serve users globally.

## Review of the business 2021

### Financial key performance indicators

The directors are pleased to report a strong financial performance during the financial year 2021, with revenues amounting to € 38.5 million compared to € 29.4 million in 2020, representing a growth of 31%. The increase in revenues is attributable to organic growth of 17.5% driven primarily by Network sales (sub-affiliation), the prior year acquisition of Casumba as well as a positive development of several assets in the Group's largest market Sweden. Acquisitions completed during the year further accelerated growth and have strengthened the Group's product portfolio by adding a portfolio of free-to-play casino library as well as leading tipster assets providing tailored pre-game insights for US sports.

The cost base, which comprises of direct costs, employee benefit expenses, depreciation, amortisation and other expenses amounted to € 29.2 million (€ 22.8 million in 2020). The increased cost base is driven by the growth in Network sales (sub-affiliation), together with increased investments in the product portfolio and geographical expansion as well as added costs through completed acquisitions during the year. Adjusted EBITDA grew by 37% and came in at € 16.5 million, corresponding to a margin of approximately 43%. The increased profitability highlights the scalability of our platform and is driven by our strategic progress with new product categories, geographical expansion and new acquisitions.

Raketech Group Holding PLC is the Parent Company. Total operating costs amounted to € 0.8 million (€ 0.7 million). Loss for the period was € 0.2 million (€ 1.0 million).

### Going concern

During 2021, Raketech has operated with positive operating cash inflows. As at 31 December 2021, the Group is in a net current liability position of € 22.6 million, with € 2.2 million representing shares that are pending issuance. The main cash outflows, in 2021, were due to payments of earn-outs as well as payments for the acquisitions made during the year. During 2022, the Group continued to honour all of its existing obligations (including the settlement of earn-outs) and no amounts were deferred beyond the payment terms. Further, the Group expects the working capital deficiency position to continue to improve as a result of the projected quarterly positive cash generation for the rest of the year in combination with considering re-financing options, including the possibility of extending the existing facility amounting to €15 million (note 23) by another twelve-month term. Discussions with Avida Finans AB, the lender, are under way and are expected to be completed during Q2 2022. The Group has complied with the financial covenants of its credit facility during the reporting period.

We have reasonable expectation to be able to refinance the existing facility and we do not believe that any material uncertainty exists that could impact the going concern basis of preparation as a result of the Group's working capital deficiency as at 31 December 2021.

### 2021 Non-financial key performance indicators

Throughout the past year, Raketech has completed three acquisitions, in line with the Group's strategy for continued geographical expansion and growth of the product portfolio. With the acquisition of Infinileads S.L., Raketech cemented its place in several Latin American emerging markets in addition to Spain, Italy and Portugal. Additionally, Infinileads has contributed a proprietary Free-to-play module which is expected to bring synergies to Raketech's Free-to-play portfolio and further accelerate gamification within Raketech's product portfolio as well as opening the doors to additional revenues by offering relevant marketing solutions to game providers and game studios.

In the second half of the year, the acquisition of P&P Vegas Group Inc. and all assets from QM Media AB was completed. This was a sport focused acquisition ensuring growth in the strategically important US market through a betting tipster community asset as well as a leading Indian cricket betting website.

Towards the end of the year, Raketech announced the

acquisition of A.T.S. Consultants Inc. which is a leading US tipster asset providing tailored pre-game insights for sports. The pre-game insights are served to sports fans across the US by a dedicated team of experts located in Baltimore, US. The business model which is based on user subscriptions and sale of picks (tips) will furthermore be complemented by Raketech's existing marketing services such as traditional affiliation, media sales and CRM.

### 2022 and beyond

Continued investments in automation, standardisation, and data analysis, increased efforts focused on geographical expansion through Raketech's flagship assets and continued growth through M&A, are expected in 2022.

### Risk management and exposures

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 a performance 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 (including Japan). 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. As the Group continues to embark on its growth strategy with the ambition to enhance the global footprint, the exposure to different regulatory frameworks continues to increase. For the principal financial risks and exposures, refer to note 4 'Financial Risk Management' that details the key risk factors including market risk, credit risk, liquidity risk and the Group's approach towards managing these risks.

### Pledging of shares

The contractual terms of the new revolving credit facility with Avida Finans AB required Raketech Holding PLC to pledge its entire shareholding in Raketech Group Limited to the lender as collateral.

## Results and dividends

The statement of comprehensive income is set out on page 44. No dividend has been declared during the year ended 31 December 2021. The directors propose that the balance of retained earnings amounting to € 37,896,493 (2020: € 30,764,858) should be carried forward to the next financial year.

As for the Parent Company, the statement of comprehensive income is set out on page 76. No dividend has been declared during the year ended 31 December 2021. The directors propose that the balance of accumulated losses amounting to € 447,718 (accumulated losses of € 246,070) should be carried forward to the next financial year.

## Events after the reporting period

Following the escalation of the geopolitical tensions in Russia and Ukraine during February 2022, the Group has gone through a process of assessing any potential exposures with no material exposure identified. Whilst the Group is not exposed to these jurisdictions, management will continue to actively monitor the situation and will assess any impact as it is deemed to arise.

## Directors

The directors of the Group who held office during the year were:

Mr. Rolf Ulrik Bengtsson, appointed on 17 May 2021

Mr. Benkt Fredrik Svederman

Mr. Johan Per Carl Svensson

Mr. Erik Johan Sebastian Skarp

Ms. Annika Maria Billberg

Mr. Magnus Gottås, appointed on 17 May 2021

Mr. Carl Oscar Christian Lundberg, resigned on 17 May 2021

Mr. Patrik Bloch, resigned on 17 May 2021

## Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies

Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each reporting period and of the profit or loss for that period. In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditor

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors on 14 April 2022 and signed on its behalf by:

Registered office:

**Johan Per Carl Svensson**  
Director

**Erik Johan Sebastian Skarp**  
Director

Soho office, The Strand,  
Fawwara building,  
Triq l-Imsida, Gzira GZR 1401,  
Malta.

# Financial Statements

|   |    |
|---|----|
| <i>Consolidated Statement of Comprehensive Income</i> | 44 |
| <i>Consolidated Statement of Financial Position</i>   | 45 |
| <i>Consolidated Statement of Changes in Equity</i>    | 46 |
| <i>Consolidated Statement of Cash Flows</i>           | 47 |
| <i>Notes to the Consolidated Financial Statements</i> | 48 |
| <i>Parent Company – Financial Statements</i>          | 75 |

## Consolidated Statement of Comprehensive Income

|   | Notes    | Year ended 31 December |                     |
|---|----------|------------------------|---------------------|
|   |          | 2021<br>€              | 2020<br>€           |
| <b>Total revenue</b>  | 7        | 38,512,209             | 29,393,663          |
| Direct costs relating to fixed fees and commission revenue  |          | (11,477,578)           | (7,922,703)         |
| Employee benefit expense  | 9        | (4,828,006)            | (5,333,319)         |
| Depreciation, amortisation and impairment   | 15,16,17 | (6,793,614)            | (5,407,158)         |
| Movement in loss allowance on trade receivables   | 4        | 65,046                 | 389,650             |
| Bad debts written-off   | 4        | (158,181)              | (604,250)           |
| Other operating expenses  | 11       | (5,962,426)            | (3,891,476)         |
| <b>Total operating expenses</b>   |          | <b>(29,154,759)</b>    | <b>(22,769,256)</b> |
| <b>Operating profit</b>   |          | <b>9,357,450</b>       | <b>6,624,407</b>    |
| Other non-operating income  | 8        | -                      | 359,508             |
| Revaluation of financial liabilities at fair value through profit or loss   | 24       | (115,441)              | -                   |
| Finance costs   | 12       | (1,601,285)            | (930,162)           |
| <b>Profit before tax</b>  |          | <b>7,640,724</b>       | <b>6,053,753</b>    |
| Tax expense   | 13       | (508,497)              | (458,758)           |
| <b>Profit for the year</b>  |          | <b>7,132,227</b>       | <b>5,594,995</b>    |
| <b>Other comprehensive income</b>   |          |                        |                     |
| Currency translation adjustments taken to equity  |          | (27,222)               | -                   |
| <b>Total other comprehensive loss for the year</b>  |          | <b>(27,222)</b>        | <b>-</b>            |
| <b>Total comprehensive income for the year</b>  |          | <b>7,105,005</b>       | <b>5,594,995</b>    |
| <b>Total comprehensive income attributable to:</b>  |          |                        |                     |
| Equity holders of the Parent Company  |          | 7,105,005              | 5,617,077           |
| Non-controlling interest  |          | -                      | (22,082)            |
| <b>Earnings per share attributable to the equity holders of the Parent during the year (expressed in EUR per share)</b> |          |                        |                     |
| Earnings per share before dilution  |          | 0.18                   | 0.15                |
| Earnings per share after dilution   |          | 0.18                   | 0.15                |

The notes on pages 49-74 are an integral part of these consolidated financial statements.

## Consolidated Statement of Financial Position

|   | Notes | As at 31 December  |                   |
|---|-------|--------------------|-------------------|
|   |       | 2021<br>€          | 2020<br>€         |
| <b>Assets</b>                                       |       |                    |                   |
| <b>Non-current assets</b>                           |       |                    |                   |
| Goodwill  | 15,28 | 3,878,836          | 286,324           |
| Intangible assets                                   | 15    | 123,736,422        | 80,867,854        |
| Right of use assets                                 | 16    | 324,401            | -                 |
| Property, plant and equipment                       | 17    | 107,912            | 27,793            |
| Other receivables                                   | 18    | -                  | 260,124           |
| <b>Total non-current assets</b>                     |       | <b>128,047,571</b> | <b>81,442,095</b> |
| <b>Current assets</b>                               |       |                    |                   |
| Trade and other receivables                         | 18    | 6,245,868          | 4,915,749         |
| Cash and cash equivalents                           | 19    | 3,205,492          | 4,965,733         |
| <b>Total current assets</b>                         |       | <b>9,451,360</b>   | <b>9,881,482</b>  |
| <b>TOTAL ASSETS</b>                                 |       | <b>137,498,931</b> | <b>91,323,577</b> |
| <b>Equity &amp; liabilities</b>                     |       |                    |                   |
| <b>Equity</b>                                       |       |                    |                   |
| Share capital                                       | 20    | 82,591             | 74,827            |
| Share premium                                       | 20    | 46,378,921         | 39,386,685        |
| Other reserves                                      | 21    | 707,183            | 598,770           |
| Retained earnings                                   |       | 37,896,493         | 30,764,858        |
| <b>Equity attributable to owners of the Company</b> |       | <b>85,065,188</b>  | <b>70,825,140</b> |
| Non-controlling interests                           |       | 588                | 588               |
| <b>TOTAL EQUITY</b>                                 |       | <b>85,065,776</b>  | <b>70,825,728</b> |
| <b>Liabilities</b>                                  |       |                    |                   |
| <b>Non-current liabilities</b>                      |       |                    |                   |
| Deferred tax liability                              | 22    | 1,901,801          | 1,552,671         |
| Amounts committed on acquisition                    | 24    | 18,256,897         | 8,678,821         |
| Lease liability                                     | 16    | 208,108            | -                 |
| <b>Total non-current liabilities</b>                |       | <b>20,366,806</b>  | <b>10,231,492</b> |
| <b>Current liabilities</b>                          |       |                    |                   |
| Borrowings  | 23    | 14,741,096         | 1,931,462         |
| Amounts committed on acquisition                    | 24    | 14,666,698         | 5,912,633         |
| Trade and other payables                            | 25    | 2,533,177          | 2,422,262         |
| Lease liability                                     | 16    | 125,378            | -                 |
| <b>Total current liabilities</b>                    |       | <b>32,066,349</b>  | <b>10,266,357</b> |
| <b>TOTAL LIABILITIES</b>                            |       | <b>52,433,155</b>  | <b>20,497,849</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |       | <b>137,498,931</b> | <b>91,323,577</b> |

The notes on pages 49-74 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 44-74 were authorised for issue by the Board on 14 April 2022 and were signed on its behalf by:

Johan Per Carl Svensson  
Director

Erik Johan Sebastian Skarp  
Director



## Consolidated Statement of Changes in Equity

|  | Notes  | Share Capital | Share Premium     | Other Reserves  | Retained Earnings | Total Equity attributable to Owners of the Company | NCI             | Total Equity      |
|--|--------|---------------|-------------------|-----------------|-------------------|--|-----------------|-------------------|
|  |        | €             | €                 | €               | €                 | €  | €               | €                 |
| Balance at 1 January 2021                        |        | 74,827        | 39,386,685        | 598,770         | 30,764,858        | 70,825,140   | 588             | 70,825,728        |
| <b>Comprehensive income</b>                      |        |               |                   |                 |                   |  |                 |                   |
| Profit for the year                              |        | -             | -                 | -               | 7,132,227         | 7,132,227  | -               | 7,132,227         |
| Other comprehensive income                       |        |               |                   |                 |                   |  |                 |                   |
| Currency translation adjustments taken to equity |        | -             | -                 | (26,630)        | (592)             | (27,222)   | -               | (27,222)          |
|  |        | -             | -                 | <b>(26,630)</b> | <b>7,131,635</b>  | <b>7,105,005</b>                                   | -               | <b>7,105,005</b>  |
| <b>Transactions with owners</b>                  |        |               |                   |                 |                   |  |                 |                   |
| Issue of share capital                           | 20     | 7,764         | 6,992,236         | -               | -                 | 7,000,000  | -               | 7,000,000         |
| Equity-settled share-based payments              | 21     | -             | -                 | 135,043         | -                 | 135,043  | -               | 135,043           |
| <b>Total transactions with owners</b>            |        | <b>7,764</b>  | <b>6,992,236</b>  | <b>135,043</b>  | -                 | <b>7,135,043</b>                                   | -               | <b>7,135,043</b>  |
| <b>Balance at 31 December 2021</b>               |        | <b>82,591</b> | <b>46,378,921</b> | <b>707,183</b>  | <b>37,896,493</b> | <b>85,065,188</b>                                  | <b>588</b>      | <b>85,065,776</b> |
| Balance at 1 January 2020                        |        | 75,801        | 39,386,685        | 428,096         | 25,115,355        | 65,005,937   | 55,096          | 65,061,033        |
| <b>Comprehensive income</b>                      |        |               |                   |                 |                   |  |                 |                   |
| Profit for the year                              |        | -             | -                 | -               | 5,617,077         | 5,617,077  | (22,082)        | 5,594,995         |
| <b>Transactions with owners</b>                  |        |               |                   |                 |                   |  |                 |                   |
| Equity-settled share-based payments              | 21     | -             | -                 | 179,700         | -                 | 179,700  | -               | 179,700           |
| Acquisition of treasury shares                   | 20, 21 | (974)         | -                 | 974             | -                 | -  | -               | -                 |
| Acquisition of NCI                               | 21     | -             | -                 | (10,000)        | 54,508            | 44,508   | (54,508)        | (10,000)          |
| Other transactions with NCI                      |        | -             | -                 | -               | (22,082)          | (22,082)   | 22,082          | -                 |
| <b>Total transactions with owners</b>            |        | <b>(974)</b>  | -                 | <b>170,674</b>  | <b>32,426</b>     | <b>202,126</b>                                     | <b>(32,426)</b> | <b>169,700</b>    |
| <b>Balance at 31 December 2020</b>               |        | <b>74,827</b> | <b>39,386,685</b> | <b>598,770</b>  | <b>30,764,858</b> | <b>70,825,140</b>                                  | <b>588</b>      | <b>70,825,728</b> |

The notes on pages 49-74 are an integral part of these consolidated financial statements.

## Consolidated Statement of Cash Flows

|   | Notes    | Year ended 31 December |                    |
|---|----------|------------------------|--------------------|
|   |          | 2021                   | 2020               |
|   |          | €                      | €                  |
| <b>Cash flows from operating activities</b>   |          |                        |                    |
| Profit before tax   |          | 7,640,724              | 6,053,753          |
| Adjustments for:  |          |                        |                    |
| Depreciation, amortisation and impairment   | 15,16,17 | 6,793,614              | 5,407,158          |
| Loss allowance  |          | (65,046)               | (389,650)          |
| Bad debts written-off   |          | 158,181                | 604,250            |
| Net finance cost  | 12       | 1,601,285              | 930,162            |
| Equity-settled share-based payment transactions   | 21       | 135,043                | 179,700            |
| Revaluation of financial liabilities at fair value through profit or loss                 | 24       | 115,441                | -                  |
| Profit on disposal of intangible assets   |          | -                      | (348,274)          |
| Profit on disposal of property, plant and equipment                                       |          | (650)                  | -                  |
|   |          | <b>16,378,592</b>      | <b>12,437,099</b>  |
| Net income taxes paid   |          | (33,828)               | (312,647)          |
| Changes in:   |          |                        |                    |
| Trade and other receivables   |          | (1,424,651)            | (460,120)          |
| Trade and other payables  |          | (290,656)              | 749,364            |
| <b>Net cash generated from operating activities</b>                                       |          | <b>14,629,457</b>      | <b>12,413,696</b>  |
| <b>Cash flows from investing activities</b>   |          |                        |                    |
| Acquisition of property, plant and equipment  |          | (45,971)               | (23,353)           |
| Acquisition of intangible assets  | 15       | (14,553,819)           | (13,198,572)       |
| Acquisition of subsidiaries acquired through a business combination; net of cash acquired | 28       | (14,571,972)           | -                  |
| Proceeds from sale of property, plant and equipment                                       |          | -                      | 1,400              |
| Proceeds from sale of intangible assets   |          | 522,967                | 3,414,135          |
| <b>Net cash used in investing activities</b>  |          | <b>(28,648,795)</b>    | <b>(9,806,390)</b> |
| <b>Cash flows from financing activities</b>   |          |                        |                    |
| Repayments of borrowings  | 23       | (2,133,117)            | (1,500,000)        |
| Proceeds from drawdowns on borrowing  | 23       | 14,625,000             | -                  |
| Transactions with NCI   |          | -                      | (10,000)           |
| Lease payments  |          | (18,691)               | (120,042)          |
| Interest paid   |          | (214,095)              | (202,251)          |
| <b>Net cash generated from / (used in) financing activities</b>                           |          | <b>12,259,097</b>      | <b>(1,832,293)</b> |
| Net movements in cash and cash equivalents  |          | (1,760,241)            | 775,013            |
| Cash and cash equivalents at the beginning of the year                                    |          | 4,965,733              | 4,190,720          |
| <b>Cash and cash equivalents at the end of the year</b>                                   | 19       | <b>3,205,492</b>       | <b>4,965,733</b>   |

The notes on pages 49-74 are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

|  |    |  |    |
|--|----|--|----|
| 1. <i>Reporting entity</i>                           | 49 | 16. <i>Leasing</i>                           | 66 |
| 2. <i>Summary of significant accounting policies</i> | 49 | 17. <i>Property, plant and equipment</i>     | 67 |
| 3. <i>Critical estimates and judgements</i>          | 57 | 18. <i>Trade and other receivables</i>       | 68 |
| 4. <i>Financial risk management</i>                  | 59 | 19. <i>Cash and cash equivalents</i>         | 68 |
| 5. <i>Capital risk management</i>                    | 62 | 20. <i>Share capital</i>                     | 68 |
| 6. <i>Fair values of financial instruments</i>       | 62 | 21. <i>Other reserves</i>                    | 69 |
| 7. <i>Revenue</i>                                    | 62 | 22. <i>Deferred tax</i>                      | 70 |
| 8. <i>Other non-operating income</i>                 | 62 | 23. <i>Borrowings</i>                        | 70 |
| 9. <i>Employee benefit expenses</i>                  | 62 | 24. <i>Amounts committed on acquisition</i>  | 71 |
| 10. <i>Share-based payments plan</i>                 | 63 | 25. <i>Trade and other payables</i>          | 72 |
| 11. <i>Other operating expenses</i>                  | 64 | 26. <i>Related party transactions</i>        | 72 |
| 12. <i>Finance cost</i>                              | 64 | 27. <i>Participation in group companies</i>  | 72 |
| 13. <i>Tax expense</i>                               | 64 | 28. <i>Business combinations</i>             | 73 |
| 14. <i>Earnings per share</i>                        | 64 | 29. <i>Cash flow information</i>             | 74 |
| 15. <i>Intangible assets</i>                         | 65 | 30. <i>Events after the reporting period</i> | 74 |

## 1 REPORTING ENTITY

Raketech Group Holding PLC is a public limited company and is incorporated in Malta. The consolidated financial statements include the financial statements of Raketech Group Holding PLC and its subsidiaries, (together, the "Group" or the "Company"). 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 PLC.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Raketech Group Holding PLC and its subsidiaries.

### 2.1 Basis of preparation

#### 2.1.1 Compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention as modified by the revaluation of financial liabilities at fair value through profit or loss.

The principal accounting policies adopted in the preparation of these financial statements are set out below. Amounts or figures in parenthesis indicate comparative figures for the financial year 2020.

#### 2.1.2 Going concern

During 2021, Raketech has operated with positive operating cash inflows. As at 31 December 2021, the Group is in a net current liability position of € 22.6 million, with € 2.2 million representing shares that are pending issuance. The main cash outflows, in 2021, were due to payments of earn-outs as well as payments for the acquisitions made during the year. During 2022, the Group continued to honour all of its existing obligations (including the settlement of earn-outs) and no amounts were deferred beyond the payment terms. Further, the Group expects the working capital deficiency position to continue to improve as a result of the projected quarterly positive cash generation for the rest of the year in combination with considering re-financing options, including the possibility of extending the existing facility amounting to €15 million (note 23) by another twelve-month term. Discussions with Avida Finans AB, the lender, are under way and are expected to be completed during Q2 2022. The Group has complied with the financial covenants of its credit facility during the reporting period.

The directors have reasonable expectation to be able to refinance the existing facility and they do not believe that any material uncertainty exists that could impact the going concern basis of preparation as a result of the Group's working capital deficiency as at 31 December 2021.

#### 2.1.3 Changes in accounting policies

The new and amended standards issued by IASB effective from 2021, were not deemed to have a significant impact on the Group's financial statements.

#### 2.1.4 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2021. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

## 2.2 Foreign currency translation

#### a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated

financial statements are presented in EUR (“€”), which is the Group’s presentation currency and the functional currency of the Parent Company and all its subsidiaries with exception of Raketech US Inc., P&P Vegas Group Inc. and Raketech Inc. The functional currency of Raketech US Inc, P&P Vegas Group Inc. and Raketech Inc. is USD (“\$”).

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

## 2.3 Principles of consolidation

### 2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2.3.2 Non-controlling interest (NCI)

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.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

### 2.3.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity.

Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

## 2.4 Revenue recognition

In line with IFRS 15 the Group recognises revenue when the customer obtains control of a performance obligation and has the ability to direct the use and obtain the benefits of the performance obligation and when specific criteria have been met for each of the Group’s activities as described below. The amount of revenue comprises the fair value of the consideration received or receivable from transactions in the ordinary course of the Group’s activities.

The Group’s revenue is primarily derived from online and affiliate marketing; it consists of revenue generated in the form of commissions on players directed or referred to iGaming operators, as well as advertising fees charged to iGaming operators who want additional exposure on the Group’s websites. The Group only earns commissions from affiliate marketing agreements once an individual deposits money or places a bet with the operators. Revenues generated from the white label casino Rapidi, are accounted for as revenue share under commission income.

During 2021, the Group made two acquisitions, P&P Vegas Group Inc. and A.T.S. Consultants Inc., both of which generate revenue from betting tips. This constitutes a new B2C revenue stream for the Group.

#### a. Commission income

Commission arrangements with iGaming operators take the form of one, or both, of the following:

**Revenue share** | When the Group enters a revenue share arrangement it receives a share of the revenues that the iGaming operator has generated as a result of a referred player playing on the operator’s site. Revenue is recognised in the month that it is earned by the respective operator.

**Cost per acquisition (CPA)** | CPA deals are arrangements in which iGaming operators remit a one-

time fee for each referred player who deposits money on the operator’s iGaming site. CPA contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

#### b. Flat fees

The Group also generates revenues by charging a fixed fee to customers that would like to be listed and critically reviewed on the Group’s websites as well as through advertising revenue whereby an advertising space is sold to gaming operators who wish to promote their brands more prominently on one of the many sites the Group has to offer. Such revenue is apportioned on an accrual’s basis over the whole term of the contract.

#### c. Betting tips and subscription income

Betting tips are offered to end users on various sports events. Revenue is generated by providing expert advice on a specific sports event or through a periodic subscription fee. Such revenue is recognised in the period to which it relates.

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.

## 2.5 Income tax

The income tax expense or credit for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business

combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2.6 Cash and cash equivalents

Cash and cash equivalents are initially carried in the statement of financial position at fair value and subsequently measured at amortised cost. In the statement of cash flows, cash and cash equivalents comprise deposits held at call with banks and e-wallets.

## 2.7 Trade and other receivables

Trade receivables are amounts due from operators in the iGaming and media sector for transactions and services performed in the ordinary course of business (as described in note 2.4). They are generally due for settlement within 30 days and are therefore all classified as current. For assets where collection is expected after more than one year, these are classified as non-current.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group’s impairment policies and the calculation of the loss allowance are provided in note 4.2.2. The carrying amount of the asset is reduced through the use of an allowance



account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

## 2.8 Leases

Under IFRS 16 a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability on the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid on the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group's long term lease agreement for the Malta office was terminated in 2020. The new office agreement signed in late 2020 runs for a period of one year and is classified as short-term, which falls outside the scope of IFRS 16.

During 2021, the Group entered into a new long-term lease agreement for a US office and applied IFRS 16 accordingly.

Refer to note 16 for further details.

## 2.9 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are instead tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount

exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. i.e. cash-generating units (CGU).

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. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had previously been recognised.

## 2.10 Intangible assets

### 2.10.1 Recognition and measurement (intangible assets other than goodwill)

Acquired intangibles are analysed between website and domains, player databases, software, other intellectual property and technical platform.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Where the cost of acquisition includes contingent consideration, cost is determined to be the current fair value of the contingent consideration as determined on the date of acquisition. Any subsequent changes in estimates of the likely outcome of the contingent event are reflected in the statement of financial position against the intangible asset's carrying amount. The cost of acquisition of intangible assets for which the consideration comprises an issue of equity shares is calculated as being the fair value of the equity instruments issued in the transaction.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included within 'other income/ (expense)' in the statement of comprehensive income in the period of derecognition.

### 2.10.2 Recognition and measurement (Goodwill)

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

### 2.10.3 Amortisation of intangible assets

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired.

The estimated useful lives of intangible assets are as follows:

#### Useful life

|                             |            |
|-----------------------------|------------|
| Websites and domains        | Indefinite |
| Player databases            | 3 years    |
| Computer software           | 3 years    |
| Other intellectual property | 3 years    |
| Technical platform          | 5 years    |

The estimated useful life and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

Intangible with indefinite useful lives are not systematically amortised and are instead tested for impairment (note 2.9). The cost to renew domains is relatively inexpensive. This together with the Group's commitment to continue managing these domains means that there is an expectation that future economic benefits from these intangible assets will

continue to flow to the Group over an indeterminable period. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

## 2.11 Property, plant and equipment

### 2.11.1 Recognition and measurement

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting periods. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'other income/ (expense)' in the statement of comprehensive income in the period of derecognition.

### 2.11.2 Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired (note 2.9). Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

**Useful life**

|                         |         |
|-------------------------|---------|
| Office equipment        | 3 years |
| Furniture and fixtures  | 5 years |
| Leasehold improvements* | 5 years |

\* Leasehold improvements are depreciated over the shorter of the lease term and the improvements' useful lives of 5 years. Following the termination of the long-term lease agreement for the Malta office in 2020, all assets under this category were written off during 2020.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

**2.12 Financial assets****2.12.1 Classification**

The Group classifies its financial assets in the following measurement categories:

- a. those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- b. those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments only when its business model for managing those assets changes.

**2.12.2 Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**2.12.3 Measurement**

At initial recognition, the Group measures a financial

asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**a. Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- i. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- ii. **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- iii. **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other

gains/(losses) in the period in which it arises.

**b. Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**c. Impairment**

The Group assesses the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk (see note 4 for further detail).

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**2.13 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.14 Borrowings**

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is

probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

**2.15 Share capital and share premium**

Ordinary shares are classified as equity. Any excess of the issue price over the par value on shares issued is recognised as share premium. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of Raketech Group Holding PLC as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Raketech Group Holding PLC. Please refer to note 20 for further detail.

**2.16 Share-based payments**

The Group's strategy to pursue its objective includes the acquisition of intangible assets. Certain acquisitions have resulted in the agreement by the Group to partially settle the purchase price through the transfer of shares in Raketech Group Holding PLC to the sellers. The Group measures the acquired intangible assets at their fair value at the acquisition dates and recognises an equivalent increase in other equity. The related amounts

previously recognised in the other equity are credited to share capital (nominal value) and share premium when Raketech Group Holding PLC issues new shares in settlement of the obligation to deliver shares to the sellers of the intangible assets.

## 2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.18 Employee benefits

### 2.18.1 Employer share incentive programme

An employer share incentive programme was introduced for certain key employees on 17 May 2021 in addition to the programmes introduced on 9 April 2018, 8 May 2019 and 15 May 2020. Through these share incentive programme, 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 recognised over the vesting period which is of up to three years (note 10).

The fair value of options granted under the Raketech Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); *and*
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in

profit or loss, with a corresponding adjustment to equity.

### 2.18.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date. The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer; *and*
- when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves terminations benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## 2.19 Earnings per share

### a. Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period.

### b. Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares.

## 2.20 Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used in the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequent remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

## 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO and the Board of Directors. The CEO and the Board of Directors consider the Group to consist of one single segment, both from a business perspective and a geographical perspective in line with IFRS 8.

# 3 CRITICAL ESTIMATES AND JUDGMENTS

## 3.1 Significant estimates and judgements

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of

certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors including expectations under the circumstances. Revisions to estimates are recognised prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 except for:

- Business combinations
- Impairment of Intangible assets with an indefinite useful life (including goodwill)
- Amounts committed on acquisition
- Impairment of trade receivables

### *Business combinations*

The Group made four acquisitions during the year. Management performed an assessment of the application of IFRS 3, 'Business combinations' in concluding whether such purchases meet the definition of a business. In making its assessment, management took into account the standard's definition of a business: under IFRS 3 a 'business' consists of inputs and processes applied to the inputs that have the ability to create outputs.

Management concluded that the purchases of P&P Vegas Group Inc. and all the assets in A.T.S. Consultants Inc. constituted a business combination in line with IFRS 3 (note 28). Regarding the acquisitions of Infinileads S.L. and QM Media, management concluded these purchases to be asset acquisitions. In the case of an asset acquisition purchase, the Group has not acquired any processes, such as management processes, organisational structures, strategic goalsetting, operational processes or human and financial resource



management. In this respect, management has determined that although it is possible for a business to have been acquired even if some processes have not been acquired, an acquisition of an asset or group of assets not accompanied by any associated processes is unlikely to meet the definition of a business. These purchases were therefore accounted for as asset acquisitions, with the consideration allocated on a fair value basis to player databases and websites and domains, as disclosed in note 15.

*Impairment of Intangible assets with an indefinite useful life (including goodwill)*

IAS 36 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 prepares and approves management plans for its operations, which are used in the calculations. Having considered the recent timing of the Group's acquisitions, the Group's future plans and the headroom in the recoverable amount in comparison to the carrying amount, management considers that the Group's intangible assets with an indefinite useful life are not impaired. Further disclosures on key assumptions are included in note 15.1.

*Amounts committed on acquisition*

Amounts committed on acquisition consist of contractual obligations resulting from the purchase 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 considerations. The fair value is calculated on the expected cash outflow on each purchase transaction. Estimates of future cash flows relating to this contingent consideration are done by management for each acquisition of assets based on their knowledge of the industry and historical experience and taking into account the economic environment at the time (note 24).

Contingent consideration is measured at fair value and is determined on the date of the acquisition and subsequently at each reporting date. The total amounts committed on acquisition as at 31 December 2021 is € 32.9 million (€14.6 million); € 27.6 million (€ 14.6 million) is contingent, € 3.1 million (nil) is deferred and € 2.2 million (nil) relate to shares pending issuance. Note 24 further describes the amounts arising as a result of changes in estimates as well as the classification of the contingent consideration into current and non-current.

*Impairment of trade receivables*

In line with the requirements of IFRS 9, for trade receivables, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. The inputs into this calculation are judgmental and highly subjective and need to be constantly updated in light of payment patterns and current market conditions. Ongoing assessments are being carried out by management in determining the adequacy of the provisions at each reporting date. Refer to note 4.2 for further detail.

### 3.2 Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant unobservable inputs and valuation

adjustments are regularly reviewed. Significant valuation issues are reported to the Group's audit committee.

## 4 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context. The Group's activities potentially expose it to a variety of financial risks:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange, cash flow and fair value interest rate risk).

### 4.1 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The management of the Group's financial risk is based on a financial policy approved by the directors and exposes the Group to a low level of risk. The Group provides principles for overall risk management. The Group made use of a derivative financial instrument to mitigate foreign exchange risk during the current period.

### 4.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk at the end of the

reporting period is analysed as follows:

|   | 2021             | 2020             |
|---|------------------|------------------|
|   | €                | €                |
| Cash and cash equivalents (note 19)         | 3,205,492        | 4,965,733        |
| Trade receivables - gross (note 18)         | 2,635,109        | 2,039,632        |
| Amounts due from related parties (note 18)  | 103,971          | 146,445          |
| Other receivables (note 18)                 | 416,041          | 856,959          |
| Accrued income (note 18)                    | 3,108,714        | 2,322,575        |
| Financial assets measured at amortised cost | 9,469,327        | 10,331,344       |
| Loss allowance (note 18)                    | (329,721)        | (394,768)        |
| <b>Maximum exposure to credit risk</b>      | <b>9,139,606</b> | <b>9,936,576</b> |

*4.2.1 Risk management*

Credit risk is managed on a Group basis. The Group has policies in place to ensure that it only deals with financial institutions with quality standing. As at 31 December 2020 and 2021, the Group's cash at bank was held with leading European financial institutions which have a credit rating of BBB- or better as assessed by the international rating agency Standard and Poor's.

The Group usually extends 30-day credit to the different clients. The Group regularly monitors the credit extended to these operators and assesses their credit quality taking into account financial position, past experience and other factors. The Group monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Group's receivables, taking into account historical experience in collection of accounts receivable. The Group does not hold any collateral as security in respect of its receivables.

*4.2.2 Impairment of financial assets*

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- other financial assets carried at amortised cost.

While cash and cash equivalents (note 19) are also subject to the impairment requirements of IFRS 9, as the Group only works with financial institutions or payment intermediaries with high quality standing or rating, the identified impairment loss was immaterial.

*a. Trade receivables*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime

expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales generated for the last nine months of the year and the average historical loss incurred. The historical loss rates are adjusted to reflect current information. On that basis, the loss allowance as at 31 December 2021 for trade receivables was determined to be € 329,721 (€ 394,768).

Expected credit loss on receivables from trade receivables can be specified as follows:

|                            | Loss percentage | Gross receivable | Loss allowance | Net receivable   |
|----------------------------|-----------------|------------------|----------------|------------------|
| <b>At 31 December 2021</b> |                 |                  |                |                  |
| Less than 30 days          | 0.9%            | 1,563,199        | 13,756         | 1,549,443        |
| Between 30 to 60 days      | 21.5%           | 647,216          | 139,362        | 507,854          |
| More than 60 days          | 33.4%           | 528,665          | 176,602        | 352,063          |
|                            |                 | <b>2,739,080</b> | <b>329,721</b> | <b>2,409,360</b> |

|                            | Loss percentage | Gross receivable | Loss allowance | Net receivable   |
|----------------------------|-----------------|------------------|----------------|------------------|
| <b>At 31 December 2020</b> |                 |                  |                |                  |
| Less than 30 days          | 3.1%            | 1,193,993        | 37,077         | 1,156,916        |
| Between 30 to 60 days      | 9.4%            | 413,660          | 38,944         | 374,716          |
| More than 60 days          | 55.1%           | 578,424          | 318,747        | 259,677          |
|                            |                 | <b>2,186,077</b> | <b>394,768</b> | <b>1,791,309</b> |

The loss allowances for trade receivables as at 31 December 2021 and 2020 reconcile to the opening loss allowances as follows:

|   | 2021             | 2020           |
|---|------------------|----------------|
|   | €                | €              |
| Opening loss allowance at 1 January                                     | <b>394,768</b>   | 787,500        |
| Increase in loss allowance recognised in profit or loss during the year | <b>87,587</b>    | 27,033         |
| Receivables written off during the year as uncollectable                | <b>(152,634)</b> | (419,765)      |
| <b>Closing loss allowance at 31 December</b>                            | <b>329,721</b>   | <b>394,768</b> |

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

The Executive Management does not consider that any individual customer or group of interdependent customers constitute any material concentration of credit risk with regard to accounts receivables.

### 4.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities which comprise borrowings and trade and other payables (including amounts committed on acquisition). Liquidity risk is monitored at a group level by ensuring that sufficient funds are available to each subsidiary within the Group.

The approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This risk management process includes the regular forecasting of cash flows by the Group's management.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Company's liquidity risk is actively managed taking consideration of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Company's financing that it can access to meet liquidity needs. In this respect management does not consider liquidity risk to the Company as significant taking into account the liquidity management process referred to above.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. Balances in the table below represent the carrying value, as the impact of discounting is not significant, except for the amounts committed on acquisition. These have been discounted to present value due to a lengthier maturity date. Amounts committed on acquisition payable in less than one year, include a non-cash transaction of € 2.2 million worth of shares pending for issue.

Additional information regarding amounts committed on acquisition is disclosed in note 24.

|  | Carrying amount   | On demand    | Less than 1 year  | Between 1 and 2 years | Between 2 and 3 years | Over 3 Years     |
|--|-------------------|--------------|-------------------|-----------------------|-----------------------|------------------|
|  | €                 | €            | €                 | €                     | €                     | €                |
| <b>At 31 December 2021</b>                   |                   |              |                   |                       |                       |                  |
| <b>Liabilities</b>                           |                   |              |                   |                       |                       |                  |
| Borrowings (note 23)                         | 14,741,096        | -            | 14,741,096        | -                     | -                     | -                |
| Amounts committed on acquisition (note 24)   | 32,923,595        | -            | 14,666,698        | 5,925,792             | 9,614,700             | 2,716,406        |
| Amounts payable to related parties (note 25) | 8,575             | 8,575        | -                 | -                     | -                     | -                |
| Other trade and other payables (note 25)     | 2,274,478         | -            | 2,274,478         | -                     | -                     | -                |
| <b>Total liabilities</b>                     | <b>49,947,744</b> | <b>8,575</b> | <b>31,682,272</b> | <b>5,925,792</b>      | <b>9,614,700</b>      | <b>2,716,406</b> |

|  | Carrying amount   | On demand    | Less than 1 year  | Between 1 and 2 years | Between 2 and 3 years | Over 3 Years     |
|--|-------------------|--------------|-------------------|-----------------------|-----------------------|------------------|
|  | €                 | €            | €                 | €                     | €                     | €                |
| <b>At 31 December 2020</b>                   |                   |              |                   |                       |                       |                  |
| <b>Liabilities</b>                           |                   |              |                   |                       |                       |                  |
| Borrowings (note 23)                         | 1,931,462         | -            | 1,931,462         | -                     | -                     | -                |
| Amounts committed on acquisition (note 24)   | 14,591,454        | -            | 5,912,633         | 4,695,419             | 1,369,776             | 2,613,626        |
| Amounts payable to related parties (note 25) | 8,575             | 8,575        | -                 | -                     | -                     | -                |
| Other trade and other payables (note 25)     | 2,207,444         | -            | 2,207,444         | -                     | -                     | -                |
| <b>Total liabilities</b>                     | <b>18,738,935</b> | <b>8,575</b> | <b>10,051,539</b> | <b>4,695,419</b>      | <b>1,369,776</b>      | <b>2,613,626</b> |

During 2021, Raketech has operated with positive operating cash inflows. As at 31 December 2021, the Group is in a net current liability position of € 22.6 million, with € 2.2 million representing shares that are pending issuance. The main cash outflows, in 2021, were due to payments of earn-outs as well as payments for the acquisitions made during the year. During 2022, the Group continued to honour all of its existing obligations (including the settlement of earn-outs) and no amounts were deferred beyond the payment terms. Further, the Group expects the working capital deficiency position to continue to improve as a result of the projected quarterly positive cash generation for the rest of the year in combination with considering re-financing options, including the possibility of extending the existing facility amounting to €15 million (note 23) by another twelve-month term. Discussions with Avida Finans AB, the lender, are under way and are expected to be completed during Q2 2022. The Group has complied with the financial covenants of its credit facility during the reporting period.

### 4.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk comprises foreign currency risk and interest rate risk.

#### 4.4.1 Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because

of changes in foreign exchange rates. The risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective group companies' functional currency. The Group's financial assets and financial liabilities are mainly denominated in EUR, which is the functional currency of the main operating subsidiary within the Group. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's international operating activities. The Group's revenues are mainly denominated in EUR and USD with limited revenues in SEK. Historically, exposure to currency fluctuations has not had a material impact on the Group's financial condition or results of operations. Accordingly, the directors of Raketech Group Holding PLC do not consider the Group to be significantly exposed to foreign exchange risk, and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

#### 4.4.2 Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to cash flow interest rate risks arises mainly from current borrowings denominated in EUR.

The Group regularly monitors its cash flow interest rate

risk and considers it not to be significant in the context of the profits generated from its ongoing operations.

## 5 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst maximising the return to shareholders through the optimisation of debt and equity balances. Strategies are expected to remain unchanged in the foreseeable future. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

The Group's equity, as disclosed in the statement of financial position, constitutes its capital. The Group maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities, and the level of current borrowings, the capital level as at the end of the reporting period is deemed adequate by the directors.

## 6 FAIR VALUES OF FINANCIAL INSTRUMENTS

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, payables, borrowings and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

## 7 REVENUE

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 2021 and 2020, is further analysed as follows:

|                                      | 2021              | 2020              |
|--------------------------------------|-------------------|-------------------|
|                                      | €                 | €                 |
| Revenue                              | <b>38,512,209</b> | <b>29,393,663</b> |
| Commissions                          | <b>31,332,047</b> | 24,877,555        |
| Flat fees                            | <b>6,402,772</b>  | 4,516,108         |
| Betting tips and subscription income | <b>777,390</b>    | -                 |

## 8 OTHER NON-OPERATING INCOME

On November 6, 2020 Raketech announced that the Company had divested its consumer finance assets to ROI Media UK, an unrelated third party, for a total consideration of € 4.2 million, with an upfront payment of € 3.4 million and a deferred consideration of € 0.8 million payable in three subsequent instalments over an 18 month period. The consumer finance assets were acquired by Raketech in February 2017 for a total consideration of € 3.8 million. The gain from the sale of the asset is reported under Other non-operating income.

## 9 EMPLOYEE BENEFIT EXPENSE

|                       | 2021             | 2020             |
|-----------------------|------------------|------------------|
|                       | €                | €                |
| Wages and salaries    | <b>4,484,463</b> | 4,903,072        |
| Social security costs | <b>208,500</b>   | 205,664          |
| Share-based payments  | <b>135,043</b>   | 179,700          |
| Termination benefits  | -                | 44,883           |
|                       | <b>4,828,006</b> | <b>5,333,319</b> |

The average number of persons employed during the year:

|                              | 2021      | 2020      |
|------------------------------|-----------|-----------|
| Management                   | <b>4</b>  | 5         |
| Administration and operating | <b>89</b> | 81        |
|                              | <b>93</b> | <b>86</b> |

## 10 SHARE-BASED PAYMENTS PLAN

The Group has implemented a total of four share-based incentive programmes where certain key employees and consultants within the Group can be allotted a maximum number of option rights. The first programme was released in 2018 and included a maximum of 491,346 option rights. The programme expired in December 2020 and since no participant had exercised their options they lapsed as a result. The three programmes currently active were released under 2019, 2020 and 2021. Under the 2019 programme, up to 758,012 option rights can be allotted and under the 2020 and 2021 programme up to 561,204 option rights can be allotted for each respective programme, all free of charge. These correspond to, in total, a maximum of 1,880,420 new shares and a dilution amounting to approximately 4.4% (3.5%).

The options granted to key employees under the 2019 programme were granted in three tranches, vest in three consecutive years starting on 8 May 2019 and expire in three years after the grant date. The assessed fair value at grant date of options granted during the year ended 31 December 2019, was SEK 4.24 per option.

The options granted under the 2020 programme were granted in three tranches, vest in three consecutive years starting on 15 May 2020 and expire in three years after the grant date. The assessed fair value at grant date of options granted during the year ended 31 December 2020, was SEK 2.43 per option.

The options granted under the 2021 programme were granted in three tranches, vest in three consecutive years starting on 17 May 2021 and expire in three years after the grant date. The assessed fair value at grant date of options granted during the year ended 31 December 2021, was SEK 4.42 per option.

The fair value at grant date is independently determined using the Black & Scholes Model that considers the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year

ended 31 December 2021 included:

- Number of periods to exercise the acquired options are 3 years
- exercise price: SEK 24.25
- grant date: From 17 May 2021
- expiry date: 3 years from grant date
- share price at 17 May 2021: SEK 18.20
- expected price volatility of the Company's shares: 48%
- risk-free interest rate: 1.34%

The impact of the above on the income statement for 2021 amounts to € 48,412 (nil).

The model inputs for options granted during the year ended 31 December 2020 included:

- Number of periods to exercise the acquired options are 3 years
- exercise price: SEK 10.75
- grant date: From 23 May 2020
- expiry date: 3 years from grant date
- share price at 23 May 2020: SEK 8.50
- expected price volatility of the Company's shares: 52%
- risk-free interest rate: 1.34%

The impact of the above on the income statement for 2021 amounts to € 28,938 (€29,080).

The model inputs for options granted during the year ended 31 December 2019 included:

- Number of periods to exercise the acquired options are 3 years
- exercise price: SEK 22.39
- grant date: From 23 May 2019
- expiry date: 3 years from grant date
- share price at 23 May 2019: SEK 16.98
- expected price volatility of the Company's shares: 44%
- risk-free interest rate: 1.3%

The impact of the above on the income statement for 2021 amounts to € 57,693 (€ 44,398).

The recipients of the offer within the 2019 programme were six key employees throughout the Group, for a total of 456,250 options at the end of 2019. The recipients of the 2020 programme were eleven key employees, for a total of 561,204 options at the end of 2020. For the 2021 programme there were six recipients for a total of 561,204 options. Following the employment termination of four of the recipients during the year, 213,074 share options were forfeited.



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.

## 11 OTHER OPERATING EXPENSES

The Group's other operating expenses comprise the following:

|                                     | 2021             | 2020             |
|-------------------------------------|------------------|------------------|
|                                     | €                | €                |
| Other staff costs                   | 112,817          | 117,845          |
| IT services                         | 940,976          | 832,349          |
| Consultancy services                | 2,593,003        | 1,201,821        |
| Professional fees                   | 774,776          | 612,091          |
| Rent                                | 139,306          | 160,505          |
| Travelling and entertainment        | 126,748          | 61,017           |
| Software licenses and subscriptions | 668,607          | 402,257          |
| Other expenses                      | 606,193          | 503,591          |
|                                     | <b>5,962,426</b> | <b>3,891,476</b> |

### 11.1 Auditor's fees

Fees (exclusive of VAT) charged by the auditor for services rendered during the financial years ended 31 December 2021 and 2020 relate to the following:

|                                      | 2021           | 2020           |
|--------------------------------------|----------------|----------------|
|                                      | €              | €              |
| Annual statutory audit               | 96,452         | 79,310         |
| Other assurance services             | 17,758         | 20,000         |
| Tax advisory and compliance services | 26,375         | 19,650         |
| Other non-audit services             | 19,750         | 8,586          |
|                                      | <b>160,335</b> | <b>127,546</b> |

## 12 FINANCE COST

|                                    | 2021      | 2020    |
|------------------------------------|-----------|---------|
|                                    | €         | €       |
| Interest cost and similar expenses | 1,601,285 | 930,162 |

Please refer to note 23, Borrowings, for further information.

## 13 TAX EXPENSE

The tax charge for the years ended 31 December 2021 and 2020 comprises the following:

|                      | 2021           | 2020           |
|----------------------|----------------|----------------|
|                      | €              | €              |
| Current tax expense  | 159,368        | -              |
| Deferred tax expense | 349,129        | 458,759        |
|                      | <b>508,497</b> | <b>458,759</b> |

The tax on the Group's results before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

|  | 2021           | 2020           |
|--|----------------|----------------|
|  | €              | €              |
| Profit before tax  | 7,640,724      | 6,053,753      |
| Tax calculated at domestic rates applicable to profits in respective countries | 484,813        | 302,688        |
| Tax effect of:   |                |                |
| Income not subject to tax  | (14,391)       | -              |
| Under provision of prior year tax expense                                      | -              | 120,666        |
| Expenses not deductible for tax purposes                                       | 38,075         | 35,404         |
| Tax expense  | <b>508,497</b> | <b>458,758</b> |

## 14 EARNINGS PER SHARE

### Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

|   | 2021       | 2020       |
|---|------------|------------|
|   | €          | €          |
| Basic earnings per share                            | 0.18       | 0.15       |
| Profit attributable to owners of the parent         | 7,132,227  | 5,617,077  |
| Weighted average number of ordinary shares in issue | 38,732,439 | 37,413,633 |

### Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares. Adjustments for calculation of diluted earnings per share relate to share option programmes for 2019, 2020 and 2021.

|  | 2021       | 2020       |
|--|------------|------------|
|  | €          | €          |
| Diluted earnings per share                       | 0.18       | 0.15       |
| Profit attributable to owners of the parent      | 7,132,227  | 5,617,077  |
| Weighted average number of shares after dilution | 40,024,377 | 38,567,489 |

## 15 INTANGIBLE ASSETS

|  | Domains and websites | Player databases | Other intellectual property | Technical platform | Software       | Goodwill         | Total              |
|--|----------------------|------------------|-----------------------------|--------------------|----------------|------------------|--------------------|
|  | €                    | €                | €                           | €                  | €              | €                | €                  |
| <b>At 1 January 2020</b>   |                      |                  |                             |                    |                |                  |                    |
| Cost   | 63,984,208           | 5,337,084        | 9,653,136                   | -                  | 561,854        | 344,359          | 79,880,641         |
| Accumulated amortisation   | -                    | (3,058,316)      | (2,725,099)                 | -                  | (345,374)      | (344,359)        | (6,473,148)        |
| <b>Net book amount</b>   | <b>63,984,208</b>    | <b>2,278,768</b> | <b>6,928,037</b>            | <b>-</b>           | <b>216,480</b> | <b>-</b>         | <b>73,407,493</b>  |
| <b>Year ended 31 December 2020</b>   |                      |                  |                             |                    |                |                  |                    |
| Opening net book amount  | 63,984,208           | 2,278,768        | 6,928,037                   | -                  | 216,480        | -                | 73,407,493         |
| Additions (including adjustments arising as a result of a change in estimates) | 9,657,239            | 1,275,543        | 4,051,634                   | -                  | -              | -                | 14,984,416         |
| Additions acquired through business combination (note 28)                      | -                    | 423,853          | -                           | 1,062,230          | -              | 286,324          | 1,772,407          |
| Disposals  | (3,835,000)          | -                | -                           | -                  | -              | -                | (3,835,000)        |
| Amortisation charge and impairment   | (40,798)             | (1,353,011)      | (3,506,206)                 | (177,039)          | (98,084)       | -                | (5,175,138)        |
| <b>Closing net book amount</b>   | <b>69,765,649</b>    | <b>2,625,153</b> | <b>7,473,465</b>            | <b>885,191</b>     | <b>118,396</b> | <b>286,324</b>   | <b>81,154,178</b>  |
| <b>At 31 December 2020</b>   |                      |                  |                             |                    |                |                  |                    |
| Cost   | 69,806,447           | 7,036,480        | 13,704,770                  | 1,062,230          | 561,854        | 630,683          | 92,802,464         |
| Accumulated amortisation and impairment  | (40,798)             | (4,411,327)      | (6,231,305)                 | (177,039)          | (443,458)      | (344,359)        | (11,648,286)       |
| <b>Net book amount</b>   | <b>69,765,649</b>    | <b>2,625,153</b> | <b>7,473,465</b>            | <b>885,191</b>     | <b>118,396</b> | <b>286,324</b>   | <b>81,154,178</b>  |
| <b>Year ended 31 December 2021</b>   |                      |                  |                             |                    |                |                  |                    |
| Opening net book amount  | 69,765,649           | 2,625,153        | 7,473,465                   | 885,191            | 118,396        | 286,324          | 81,154,178         |
| Additions (including adjustments arising as a result of a change in estimates) | 14,150,592           | 2,198,511        | 4,671,754                   | -                  | -              | -                | 21,020,857         |
| Additions acquired through business combination (note 28)                      | 26,846,300           | 1,756,634        | -                           | -                  | -              | 3,592,512        | 32,195,446         |
| Amortisation charge and impairment   | -                    | (1,812,596)      | (4,651,378)                 | (212,446)          | (78,804)       | -                | (6,755,224)        |
| <b>Closing net book amount</b>   | <b>110,762,541</b>   | <b>4,767,702</b> | <b>7,493,841</b>            | <b>672,745</b>     | <b>39,592</b>  | <b>3,878,836</b> | <b>127,615,257</b> |
| <b>At 31 December 2021</b>   |                      |                  |                             |                    |                |                  |                    |
| Cost   | 110,803,339          | 10,991,625       | 18,376,524                  | 1,062,230          | 561,854        | 4,223,195        | 146,018,767        |
| Accumulated amortisation and impairment  | (40,798)             | (6,223,923)      | (10,882,683)                | (389,485)          | (522,262)      | (344,359)        | (18,403,510)       |
| <b>Net book amount</b>   | <b>110,762,541</b>   | <b>4,767,702</b> | <b>7,493,841</b>            | <b>672,745</b>     | <b>39,592</b>  | <b>3,878,836</b> | <b>127,615,257</b> |

## 15.1 Intangible assets – amortisation and impairment

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 performance and cash flows of the different assets is dependent on those generated by other assets and the Group monitors and manages its operations as one business unit.

The directors have evaluated website and domains as well as goodwill for impairment as at 31 December 2021. They are of the view that the carrying amounts, amounting to € 110,762,541 (€ 69,765,649) for website and domains and € 3,878,835 (€ 286,324) for goodwill, are recoverable on the basis of the cash flows generated from these assets being in line, or exceeding, the estimated projections made prior to the acquisitions. Consequently, the directors have assessed that there is no need to impair the acquired domains and websites nor goodwill.

The recoverable amount of the acquired website and domains was assessed on the basis of value-in-use calculations, and a detailed assessment was performed at the end of the reporting period. The Group's conclusion is that the recoverable amount is well in excess of the assets' carrying amount disclosed above. The recoverable amount was based on:

- the cash flow projections for 2022 based on the board approved budget;
- the expected cash flows for 2023 – 2026 (2022 – 2025) which include a Compounded Annual Growth Rate ('CAGR') of 6.9% (11.6%) over the period;
- an annual growth rate of 1.0% (1.0%) beyond these dates; and
- a pre-tax discount rate of 16.0% (15.6%).

The discount rate is based on the Group's pre-tax weighted average cost of capital. Management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the markets in which the Group operates in (including regulatory considerations). Unfavorable developments in unregulated markets in which the Group operates may subject the Group to higher risks with respect to the ongoing impairment assessments. The directors are satisfied that the judgements made are appropriate to the circumstances relevant to these assets and their cash-generation.

## 15.2 Sensitivity analysis

The Group's conclusion is that the recoverable amount of the single cash generating unit is highly sensitive to changes in key assumptions. The principal assumption used in the impairment assessment relates to projected revenue growth rates. If the CAGR over the period 2022–2026 had to fall to below 6.5% (2021–2025: 2.7%), impairment would most likely arise. This analysis does not incorporate any other potential changes in other assumptions used in the impairment assessment.

# 16 LEASING

The Group's long-term lease agreement for the Malta office was terminated in 2020. The new office agreement signed in late 2020 runs for a period of 1 year and is classified as short-term, which falls outside the scope of IFRS 16.

In November 2021, the Group entered into a new lease agreement for an office in the US. The lease runs for a period of 3 years, with an option to renew the lease after that date.

The Group recognises a right-of-use asset and a lease liability on the lease commencement date.

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 financier under comparable terms and conditions.

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.

|  | 2021<br>€       | 2020<br>€ |
|--|-----------------|-----------|
| <b>Leasing Liability</b>   |                 |           |
| Opening balance  | -               | 319,157   |
| Discounted using the Group's incremental borrowing rate at 9 November 2021           | <b>341,143</b>  | -         |
| Change in operating lease commitment   | -               | (202,358) |
| Notional interest charge   | <b>3,497</b>    | 3,243     |
| Payments   | <b>(18,692)</b> | (120,042) |
| Changes in the value of the lease liability due to changes in foreign exchange rates | <b>7,538</b>    | -         |
| <b>Leasing liability at 31 December<sup>1</sup></b>                                  | <b>333,486</b>  | -         |

<sup>1</sup>Of the total leasing liability of € 333 thousand, € 208 thousand is long term and € 125 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, adjusted for any lease payments made on or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

|  | 2021<br>€       | 2020<br>€ |
|--|-----------------|-----------|
| <b>Right-of-use asset</b>                |                 |           |
| Opening balance                          | -               | 317,990   |
| Right-of-use asset at 9 November 2021    | <b>341,143</b>  | -         |
| Change in operating lease commitment     | -               | (202,358) |
| Amortisation charge                      | <b>(16,742)</b> | (115,632) |
| <b>Right-of-use asset at 31 December</b> | <b>324,401</b>  | -         |

# 17 PROPERTY, PLANT AND EQUIPMENT

|                                       | Leasehold improvements<br>€ | Office Equipment<br>€ | Furniture and fixtures<br>€ | Total<br>€     |
|---------------------------------------|-----------------------------|-----------------------|-----------------------------|----------------|
| <b>At 1 January 2020</b>              |                             |                       |                             |                |
| Cost                                  | 39,569                      | 335,152               | 65,326                      | 440,047        |
| Accumulated depreciation              | (19,708)                    | (253,027)             | (33,596)                    | (306,331)      |
| <b>Net book amount</b>                | <b>19,861</b>               | <b>82,125</b>         | <b>31,730</b>               | <b>133,716</b> |
| <b>Year ended 31 December 2020</b>    |                             |                       |                             |                |
| Opening net book amount               | 19,861                      | 82,125                | 31,730                      | 133,716        |
| Additions                             | -                           | 23,353                | -                           | 23,353         |
| Assets written off                    | (39,569)                    | (286,213)             | (65,013)                    | (390,795)      |
| Depreciation charge                   | (6,595)                     | (98,958)              | (10,836)                    | (116,388)      |
| Depreciation released upon impairment | 26,302                      | 307,486               | 44,119                      | 377,907        |
| <b>Closing net book amount</b>        | <b>-</b>                    | <b>27,793</b>         | <b>-</b>                    | <b>27,793</b>  |
| <b>At 31 December 2020</b>            |                             |                       |                             |                |
| Cost                                  | -                           | 72,292                | 313                         | 72,605         |
| Accumulated depreciation              | -                           | (44,499)              | (313)                       | (44,812)       |
| <b>Net book amount</b>                | <b>-</b>                    | <b>27,793</b>         | <b>-</b>                    | <b>27,793</b>  |

|   | Leasehold improvements<br>€ | Office Equipment<br>€ | Furniture and fixtures<br>€ | Total<br>€     |
|---|-----------------------------|-----------------------|-----------------------------|----------------|
| <b>Year ended 31 December 2021</b>                        |                             |                       |                             |                |
| Opening net book amount                                   | -                           | 27,793                | -                           | 27,793         |
| Additions   | -                           | 46,590                | -                           | 46,590         |
| Additions acquired through business combination (note 28) | -                           | 49,826                | 5,351                       | 55,177         |
| Depreciation charge                                       | -                           | (21,648)              | -                           | (21,648)       |
| <b>Closing net book amount</b>                            | -                           | <b>102,561</b>        | <b>5,351</b>                | <b>107,912</b> |
| <b>At 31 December 2021</b>                                |                             |                       |                             |                |
| Cost  | -                           | 168,708               | 5,664                       | 174,372        |
| Accumulated depreciation                                  | -                           | (66,147)              | (313)                       | (66,460)       |
| <b>Net book amount</b>                                    | -                           | <b>102,561</b>        | <b>5,351</b>                | <b>107,912</b> |

## 18 TRADE AND OTHER RECEIVABLES

|                                  | 2021<br>€        | 2020<br>€        |
|----------------------------------|------------------|------------------|
| <b>Current</b>                   |                  |                  |
| Trade receivables – gross        | 2,635,109        | 2,039,632        |
| Loss allowance                   | (329,721)        | (394,768)        |
| Trade receivables – net          | 2,305,388        | 1,644,864        |
| Amounts due from related parties | 103,971          | 146,445          |
| Other receivables                | 416,041          | 596,835          |
| Prepayments and accrued income   | 3,420,468        | 2,527,605        |
|                                  | <b>6,245,868</b> | <b>4,915,749</b> |
| <b>Non-current</b>               |                  |                  |
| Other receivables                | -                | 260,124          |
|                                  | <b>6,245,868</b> | <b>5,175,873</b> |

Amounts due from related parties are unsecured, interest-free and have no fixed date for repayment. Further detail on the performance of trade receivables is disclosed in note 4.2.

## 19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with

banks. For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

|                     | 2021<br>€        | 2020<br>€        |
|---------------------|------------------|------------------|
| <b>Cash at bank</b> | <b>3,205,492</b> | <b>4,965,733</b> |

The cash and cash equivalents disclosed above and in the statement of cash flows include € 136,288 (€ 149,650) which are restricted.

## 20 SHARE CAPITAL

Raketech Group Holding PLC was incorporated on 29 September 2016 with an issued share capital of 35,000 shares with a nominal value of € 0.05 per share. These shares were subsequently split into 5 shares of € 0.01 per share for each share previously held; the total number of shares in issue accordingly increased to 175,000. On 16 June 2017, a further 1,971 new shares in Raketech Group Holding PLC were issued with a nominal value of € 0.01 per share and a share premium of € 507.35 per share.

On 4 January 2018, Raketech Group Holding PLC redenominated each authorised and issued share from € 0.01 per share to € 0.27 per share. This increase, which resulted in total proceeds of € 46,012, is reflected in the Group's financial statements ending 31 December 2018. On the same date, the authorised share capital was increased by 555,055,556 shares to 555,555,556 shares of € 0.27 each.

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. On 29 June 2018, Raketech Group Holding PLC was successfully listed on Nasdaq First North Premier Growth Market with an increase of 13,333,333 shares, leading to a new outstanding amount of 37,900,633 shares as at 29 June 2018 out of which Raketech held no own shares at the date of the annual general meeting 2019.

Following the share buyback programme in 2019, 487,000 treasury shares were cancelled in November 2020 and the share capital was decreased to 37,413,633 shares of € 0.002 each. Further details regarding the share buy-back programme is disclosed in note 20.1.

The acquisition of P&P Vegas Group Inc. was partly settled in new shares in Raketech Group Holding PLC and to this purpose 3,881,968 shares were issued, and the share capital was increased to 41,295,601 shares. The new shares have a nominal value of € 0.002 per share and were issued at a premium of € 1.801209 per share.

Furthermore, on 20 December 2021, the Board of Directors of the Company has authorised the issuance of a further 1,023,509 shares, but these shares have not been issued yet.

Details of Raketech Group Holding PLC's share capital as at 31 December 2021 and 2020 are as follows:

|  | 2021<br>€   | 2020<br>€   |
|--|-------------|-------------|
| <b>Authorised</b>                              |             |             |
| 75,000,000,060 ordinary shares of € 0.002 each | 150,000,000 | 150,000,000 |
| <b>Issued and fully paid</b>                   |             |             |
| 41,295,601 ordinary shares of € 0.002 each     | 82,591      | 74,827      |

### 20.1 Share buy-back

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, was terminated until further notice after the decision taken by the Board of Directors during the fourth quarter of 2019.

The total price for the repurchased shares under the programme amounts to SEK 8.8 million. 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. On 23 June 2020, all 487,000 shares were cancelled. The cancellation of shares had been reflected in Other reserves.

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").

## 21 OTHER RESERVES

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year ended 31 December 2020 and 2021. A description of the nature and purpose of each reserve is provided below the table.

|  | Other equity<br>€ | Other reserve<br>€ | Total<br>€     |
|--|-------------------|--------------------|----------------|
| At 1 January 2021                                | (534,360)         | 1,133,130          | 598,770        |
| Equity-settled share based payments              | 135,043           | -                  | 135,043        |
| Currency translation adjustments taken to equity | (26,630)          | -                  | (26,630)       |
| <b>At 31 December 2021</b>                       | <b>(425,947)</b>  | <b>1,133,130</b>   | <b>707,183</b> |
| At 1 January 2020                                | (705,034)         | 1,133,130          | 428,096        |
| Equity-settled share based payments              | 179,700           | -                  | 179,700        |
| Cancellation of treasury shares                  | 974               | -                  | 974            |
| Acquisition of NCI                               | (10,000)          | -                  | (10,000)       |
| <b>At 31 December 2020</b>                       | <b>(534,360)</b>  | <b>1,133,130</b>   | <b>598,770</b> |

The Group's other equity represents the value of shares committed to third parties as partial settlement of the



Group's acquisition of intangible assets, but for which transfer of the shares is outstanding as at the end of the reporting period.

A currency translation adjustment was taken to the Group's other equity, following the translation of the US entities' functional currency (USD) into the presentation currency (EUR) of the Group.

The Group's other reserve arose upon the reorganisation through which Raketech Group Holding PLC was interposed as the new Parent Company of Raketech Group Limited.

The Group's reserves are not distributable.

## 22 DEFERRED TAX

Deferred tax is calculated on all temporary differences under the liability method using the tax rate that is expected to apply to the period when the assets/ liabilities are settled, based on the tax rates expected in the tax jurisdictions concerned. The principal tax rate used is 5% (5%), which is the effective tax rate for the Group's profits earned in Malta.

The movement in deferred tax balances is analysed as follows:

|  | Balance at 1 January<br>€ | Recognised in profit or loss<br>€ | Balance at 31 December<br>€ |
|--|---------------------------|-----------------------------------|-----------------------------|
| <b>31 December 2021</b>  |                           |                                   |                             |
| <b>Deferred tax assets</b>   |                           |                                   |                             |
| Unutilised tax losses / Temporary differences on provision for impairment of receivables | (1,894,184)               | (110,534)                         | (2,004,718)                 |
| <b>Deferred tax liabilities</b>  |                           |                                   |                             |
| Temporary differences on amortisation of intangible assets                               | 3,446,855                 | 459,664                           | 3,906,519                   |
| <b>Net deferred tax liability</b>  | <b>1,552,671</b>          | <b>349,130</b>                    | <b>1,901,801</b>            |
| <b>31 December 2020</b>  |                           |                                   |                             |
| <b>Deferred tax assets</b>   |                           |                                   |                             |
| Unutilised tax losses / Temporary differences on provision for impairment of receivables | (1,776,903)               | (117,281)                         | (1,894,184)                 |
| <b>Deferred tax liabilities</b>  |                           |                                   |                             |
| Temporary differences on amortisation of intangible assets                               | 2,870,816                 | 576,039                           | 3,446,855                   |
| <b>Net deferred tax liability</b>  | <b>1,093,913</b>          | <b>458,758</b>                    | <b>1,552,671</b>            |

## 23 BORROWINGS

|                        | 2021<br>€         | 2020<br>€        |
|------------------------|-------------------|------------------|
| <b>Current</b>         |                   |                  |
| Third party borrowings | 14,741,096        | 1,931,462        |
|                        | <b>14,741,096</b> | <b>1,931,462</b> |

In December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of € 10.0 million. In March 2021, the utilised amount of the credit facility amounting to € 2.0 million was repaid in full. On September 2, 2021, Raketech requested an early cancellation of the credit facility with Swedbank and the release of the pledged shares.

In July 2021, Raketech entered into an agreement with Avida Finans AB for a one-year revolving credit facility of € 15.0 million with an interest rate of 4.25%. The credit facility with Avida Finans AB replaced the previous

facility with Swedbank. The credit facility with Avida Finans AB includes an extension option and can thus be renewed for another twelve-month term from its first date of utilisation subject to certain conditions. As of 31 December 2021, the utilised credit amounts to € 15.0 million (€ 0.0 million). The contractual terms of the new revolving credit facility with Avida Finans AB required Raketech Holding PLC to pledge its entire shareholding in Raketech Group Limited to the lender as collateral.

For the period January to December 2021, finance costs, in relation to borrowings, have increased to € 0.4 million (€ 0.3 million) due to the higher outstanding loan amount.

## 24 AMOUNTS COMMITTED ON ACQUISITION

|   | 2021<br>€         | 2020<br>€         |
|---|-------------------|-------------------|
| Opening balance   | 14,591,454        | 10,681,599        |
| Acquisitions during the year  | 14,194,520        | 372,407           |
| Settlements/setoffs   | (7,236,957)       | (6,723,223)       |
| Notional interest charge  | 1,055,207         | 647,585           |
| Adjustments arising as a result of a change in estimates <sup>1</sup> | 10,319,371        | 9,613,086         |
| <b>Closing balance</b>  | <b>32,923,595</b> | <b>14,591,454</b> |

<sup>1</sup>€ 10,162,214 relates to acquisitions made prior to 2021, and € 157,157 relates to acquisitions made during 2021.

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 additional amounts committed on acquisition for the year include the acquisition of shares in Infinileads S.L. and the latest investment in A.T.S. Consultants Inc.'s assets.

The earn-out condition relating to Infinileads S.L. is capped up to a maximum of € 4 million up until 31 July 2023. Management's best estimate of the total contingent consideration for these assets amounted to € 1.5 million as at 31 December 2021. Included in the additional amounts committed on acquisition, is a deferred consideration of € 2.2 million paid on January 31, 2022.

The earn-out condition relating to A.T.S. Consultants Inc., which is denominated in USD, is capped up to a maximum of € 13.2 million up until 31 December 2024. Management's best estimate of the total contingent consideration for these assets amounted to € 7.6 million as at 31 December 2021. Included in the additional amounts committed on acquisition, is a deferred consideration of € 0.9 million payable by June 2022 and a pending issuance of shares valued at € 2.2 million.

The earn-out condition related to Lead Republik Ltd is uncapped and based on future performance up until 28 February 2022. Management's best estimate of the total contingent consideration for these assets amounted to € 0.1 million (€ 0.4 million) net of payments amounting to € 0.4 million (nil) as of 31 December 2021.

The earn-out condition relating to Casumba is partly capped to a maximum of € 0.8 million until 31 December 2021, whilst 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 € 11.9 million (€ 6.1 million) net of payments amounting to € 1.6 million (€ 0.7 million) as of 31 December 2021.

The contingent consideration related to Casinofeber is uncapped, based on future performance up until 28 February 2023. Management's best estimate of the total contingent consideration for these assets amounted to € 6.5 million (€ 8.1 million) net of payments amounting to € 5.2 million (€ 6.0 million) as of 31 December 2021.

Other than the increase in the contingent consideration for Lead Republik amounting to € 0.1 million which was recognised in the consolidated statement of comprehensive income as Revaluation of financial liabilities at fair value through profit or loss during 2021, the remaining contingent consideration has been recognised in the consolidated statement of financial position according to management's best estimate. Future revisions to earn-outs for both Lead Republik and A.T.S. Consultants Inc. will be reflected within the

consolidated statement of comprehensive income as a result of both acquisitions having been deemed to be business combinations under IFRS 3. The change in estimates according to the table above is related to contingent consideration for CasinoFeber, Casumba, Lead Republik and Infinileads.

The adjustment to reflect the total impact of discounting in the consolidated statement of financial position, amounted to € 1.1 million (€ 0.6 million) by the end of the year. Of the amounts recognised in the consolidated statement of financial position at 31 December 2021, € 14.7 million is considered to fall due for payment within less than 12 months from the end of the reporting period. The current debt will be mainly settled through expected cash generation during 2022. As at 31 December 2021, amounts committed on acquisition amounted to € 32.9 million, of which € 3.1 million are fixed, € 2.2 million are pending a share issuance and the rest are contingent considerations.

## 25 TRADE AND OTHER PAYABLES

|                                       | 2021             | 2020             |
|---------------------------------------|------------------|------------------|
|                                       | €                | €                |
| <b>Current</b>                        |                  |                  |
| Trade payables                        | 385,777          | 303,607          |
| Amounts owed to other related parties | 8,575            | 8,575            |
| Indirect taxes                        | 250,123          | 206,243          |
| Other payables                        | 30,104           | 7,145            |
| Accruals and deferred income          | 1,858,598        | 1,896,692        |
|                                       | <b>2,533,177</b> | <b>2,422,262</b> |

Amounts owed to other related parties are unsecured, interest free and repayable on demand.

## 26 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 years:

|                                      | 2021             | 2020      |
|--------------------------------------|------------------|-----------|
|                                      | €                | €         |
| <b>Revenue</b>                       | <b>1,212,735</b> | 1,742,713 |
| <b>Expenses</b>                      |                  |           |
| Compensation to directors            | 415,000          | 439,477   |
| Compensation to executive management | 1,370,612        | 1,217,794 |
| Other related party transactions     | 468,239          | 764,205   |

|   |               |        |
|---|---------------|--------|
| <b>Amounts owed to related parties (including accruals)</b> | <b>18,667</b> | 44,698 |
|---|---------------|--------|

|  |                |         |
|--|----------------|---------|
| <b>Amounts owed by related parties</b> | <b>103,971</b> | 146,445 |
|--|----------------|---------|

## 27 PARTICIPATION IN GROUP COMPANIES

The Group had the following subsidiaries at 31 December 2021 and 2020:

| Subsidiaries                  | Registered office   | Class of shares held | Percentage of shares held directly by the parent |         | Percentage of shares held by the Group |         |
|-------------------------------|---|----------------------|--|---------|--|---------|
|                               |   |                      | 2021   | 2020    | 2021                                   | 2020    |
| <b>Raketech Group Limited</b> | Soho Office The Strand, Fawwara Building, Triq l-Imsida, Gzira, GZR 1401, Malta | Ordinary shares      | 100.00%  | 100.00% | 100.00%                                | 100.00% |
| <b>Gamina Limited</b>         | Soho Office The Strand, Fawwara Building, Triq l-Imsida, Gzira, GZR 1401, Malta | Ordinary shares      | -  | -       | 100.00%                                | 100.00% |
| <b>Tv Sports Guide Ltd</b>    | Soho Office The Strand, Fawwara Building, Triq l-Imsida, Gzira, GZR 1401, Malta | Ordinary shares      | -  | -       | 100.00%                                | 100.00% |

| Subsidiaries                                 | Registered office   | Class of shares held | Percentage of shares held directly by the parent |      | Percentage of shares held by the Group |         |
|--|---|----------------------|--|------|--|---------|
|  |   |                      | 2021   | 2020 | 2021                                   | 2020    |
| <b>Shogun Media Limited (in liquidation)</b> | Soho Office The Strand, Fawwara Building, Triq l-Imsida, Gzira, GZR 1401, Malta | Ordinary shares      | -  | -    | 51.00%                                 | 51.00%  |
| <b>Casumba Media Ltd</b>                     | Soho Office The Strand, Fawwara Building, Triq l-Imsida, Gzira, GZR 1401, Malta | Ordinary shares      | -  | -    | 100.00%                                | 100.00% |
| <b>Raketech US Inc.</b>                      | 263, Shuman Blvd Ste. 145, Naperville IL 60563, USA                             | Ordinary shares      | -  | -    | 100.00%                                | 100.00% |
| <b>Infinileads S.L.</b>                      | Avd. Marques del Duero 61 Esc. 1 4 A Marbella, 29670, Spain                     | Ordinary shares      | -  | -    | 100.00%                                | 0.00%   |
| <b>P&amp;P Vegas Group Inc.</b>              | 1675 South Street, Suite B, Dover, Kent 19901, USA                              | Ordinary shares      | -  | -    | 100.00%                                | 0.00%   |
| <b>Raketech Inc.</b>                         | 10 Church Lane, Pikesville, Maryland 21208, USA                                 | Ordinary shares      | -  | -    | 100.00%                                | 0.00%   |

All the above subsidiaries operate within the iGaming sector and are included in the consolidation.

The proportion of voting rights in the subsidiary undertakings held directly by the Group do not differ from the proportion of ordinary shares held.

On 12 July 2021, an extraordinary resolution was passed for the dissolution and consequential voluntary winding up of Shogun Media Limited (in liquidation) as per 30 April 2021.

On 1 December 2021, a resolution was passed to merge TV Sports Guide Ltd and Gamina Limited with Raketech Group Limited. The accounting reference date was set to be 1 January 2021.

On 11 April 2022, the legal merger was completed and both TV Sports Guide Ltd and Gamina Limited were struck off from the Malta Business Registry.

## 28 BUSINESS COMBINATIONS

On July 7, 2021, the Group entered into a share purchase agreement with QM Media AB (the sellers), an unrelated party. Raketech acquired all shares in P&P Vegas Group Inc. for an upfront payment of € 3.9 million in cash and 3,881,968 new shares (having a nominal value of € 0.002 per share and issued at a premium of € 1.80 per

share in Raketech Group Holding PLC) for the amount of € 7.0 million. P&P Vegas Group Inc. is registered in the US and provides users with betting tips, with revenue predominantly from US. The acquisition supports the Group's existing strategy for global expansion. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

| Purchase consideration                | On acquisition    |
|---------------------------------------|-------------------|
|                                       | €                 |
| Cash paid                             | 3,933,760         |
| Ordinary shares issued (at a premium) | 7,000,000         |
| <b>Total purchase consideration</b>   | <b>10,933,760</b> |

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

| Purchase consideration                                | Fair Value        |
|---|-------------------|
|   | €                 |
| Websites and domains (note 15)                        | 9,706,717         |
| Players database (note 15)                            | 709,567           |
| Cash  | 76,073            |
| Other receivables                                     | 65,824            |
| Other payables  | (86,037)          |
| Loan liability  | (133,118)         |
| <b>Fair value of net identifiable assets acquired</b> | <b>10,339,026</b> |
| Goodwill (note 15)                                    | 594,734           |
| <b>Net assets acquired</b>                            | <b>10,933,760</b> |

The goodwill is predominantly attributable to future revenue synergies, including the opportunity to reach new players through access to know-how and human capital. Goodwill will not be deductible for tax purposes. In 2021, the acquired business contributed € 1.4 million worth of revenues to the Group.

On November 8, 2021, the Group entered into an asset purchase agreement with A.T.S. Consultants Inc., Global Opportunities Network LLC and Sports Data Capital Fund LLC (the sellers), all unrelated parties. The agreement was completed on December 9, 2021. Raketech acquired assets held by the sellers for an upfront payment of € 10.6 million in cash, a deferred consideration of € 0.9 million, an amount committed on acquisition estimated at € 7.6 million and 1,023,509 new shares (having a nominal value of € 0.002 per share and a premium of € 2.16 per share in Raketech Group Holding PLC) for the amount of € 2.2 million. The shares were still to be issued at the reporting date. The acquired business provides users, predominantly in the US with betting tips. The acquisition supports the Group's existing strategy for global expansion.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

| Purchase consideration                           | On acquisition    |
|--|-------------------|
|  | €                 |
| Net cash paid                                    | 10,595,091        |
| Ordinary shares pending for issue (at a premium) | 2,207,311         |
| Deferred consideration                           | 882,924           |
| Amounts committed on acquisition                 | 7,554,279         |
| <b>Total purchase consideration</b>              | <b>21,239,605</b> |

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

| Purchase consideration                                | On acquisition    |
|---|-------------------|
|   | €                 |
| Websites and domains (note 15)                        | 17,139,583        |
| Players database (note 15)                            | 1,047,067         |
| Computer equipment (note 17)                          | 49,826            |
| Office furniture (note 17)                            | 5,351             |
| <b>Fair value of net identifiable assets acquired</b> | <b>18,241,827</b> |
| Goodwill (note 15)                                    | 2,997,778         |
| <b>Net assets acquired</b>                            | <b>21,239,605</b> |

The goodwill is predominantly attributable to future

revenue synergies, including the opportunity to reach new players through access to know-how and human capital. Goodwill is deductible for US tax purposes given that it is an asset acquisition. In December 2021, the acquired business contributed € 0.3 million worth of revenues to the Group.

## 29 CASH FLOW INFORMATION

### Significant non-cash transactions

The Group has acquired a number of assets throughout the current and the comparative period. Note 24 includes details of any acquisitions for which it was agreed that settlement would not be paid in cash.

### Net debt reconciliation

Movements in the Group's liabilities arising from financing activities, comprising third party loans (note 23), are set out below:

|  | 2021              | 2020             |
|--|-------------------|------------------|
|  | €                 | €                |
| <b>At 1 January</b>                                  | <b>1,931,462</b>  | 3,354,378        |
| Proceeds from drawdowns on borrowing                 | 14,625,000        | -                |
| Loan acquired through business combination (note 28) | 133,118           | -                |
| Amortisation of transaction costs                    | 398,728           | 279,336          |
| Repayment and interest payments                      | (2,347,212)       | (1,702,252)      |
| <b>At 31 December</b>                                | <b>14,741,096</b> | <b>1,931,462</b> |

## 30 EVENTS AFTER THE REPORTING PERIOD

Following the escalation of the geopolitical tensions in Russia and Ukraine during February 2022, the Group has gone through a process of assessing any potential exposures with no material exposure identified. Whilst the Group is not exposed to these jurisdictions, management will continue to actively monitor the situation and will assess any impact as it is deemed to arise.

# Parent Company

|   |    |
|---|----|
| <i>Statement of Comprehensive Income – Parent Company</i> | 76 |
| <i>Statement of Financial Position – Parent Company</i>   | 77 |
| <i>Statement of Changes in Equity – Parent Company</i>    | 78 |
| <i>Statement of Cash Flows – Parent Company</i>           | 79 |
| <i>Notes to the Parent Company Financial Statements</i>   | 80 |



## Statement of Comprehensive Income – Parent Company

|  | Notes | 2021<br>€        | 2020<br>€        |
|--|-------|------------------|------------------|
| <b>Total revenue</b>                                   | 3     | 557,393          | -                |
| Employee benefit expense                               | 4     | (515,249)        | (591,126)        |
| Other operating expenses                               | 6     | (304,024)        | (99,611)         |
| <b>Total operating expenses</b>                        |       | <b>(819,273)</b> | <b>(690,737)</b> |
| <b>Operating loss</b>                                  |       | <b>(261,880)</b> | <b>(690,737)</b> |
| Finance income   | 7     | 496,027          | -                |
| Finance costs  | 7     | (435,795)        | (279,336)        |
| <b>Loss before tax</b>                                 |       | <b>(201,648)</b> | <b>(970,073)</b> |
| Tax expense  | 8     | -                | -                |
| <b>Loss for the year – total comprehensive expense</b> |       | <b>(201,648)</b> | <b>(970,073)</b> |

The notes on pages 81-86 are an integral part of these Parent Company financial statements.

## Statement of Financial Position – Parent Company

|                                      | Notes | 2021<br>€         | 2020<br>€         |
|--------------------------------------|-------|-------------------|-------------------|
| <b>Assets</b>                        |       |                   |                   |
| <b>Non-current assets</b>            |       |                   |                   |
| Investment in subsidiaries           | 9     | 12,362,731        | 3,152,493         |
| Trade and other receivables          | 10    | 37,976,589        | 39,941,513        |
| Loan receivable from a subsidiary    | 11    | 15,000,000        | -                 |
| <b>Total non-current assets</b>      |       | <b>65,339,320</b> | <b>43,094,006</b> |
| <b>Current assets</b>                |       |                   |                   |
| Trade and other receivables          | 10    | 215,136           | -                 |
| Cash and cash equivalents            | 12    | 68,259            | 70,307            |
| <b>Total current assets</b>          |       | <b>283,395</b>    | <b>70,307</b>     |
| <b>TOTAL ASSETS</b>                  |       | <b>65,622,715</b> | <b>43,164,313</b> |
| <b>Equity &amp; Liabilities</b>      |       |                   |                   |
| <b>Equity</b>                        |       |                   |                   |
| Share capital                        | 13    | 82,591            | 74,827            |
| Share premium                        | 13    | 48,594,998        | 41,602,762        |
| Other reserves                       | 13    | (204,417)         | (339,460)         |
| Accumulated losses                   |       | (447,718)         | (246,070)         |
| <b>Total equity</b>                  |       | <b>48,025,454</b> | <b>41,092,059</b> |
| <b>Liabilities</b>                   |       |                   |                   |
| <b>Non-current liabilities</b>       |       |                   |                   |
| Deferred tax liability               | 14    | 86,324            | -                 |
| <b>Total non-current liabilities</b> |       | <b>86,324</b>     | <b>-</b>          |
| <b>Current liabilities</b>           |       |                   |                   |
| Borrowings                           | 15    | 14,741,096        | 1,931,462         |
| Amounts committed on acquisition     | 16    | 2,210,238         | -                 |
| Trade and other payables             | 17    | 345,718           | 140,792           |
| Current tax liabilities              |       | 213,885           | -                 |
| <b>Total current liabilities</b>     |       | <b>17,510,937</b> | <b>2,072,254</b>  |
| <b>Total liabilities</b>             |       | <b>17,597,261</b> | <b>2,072,254</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b>65,622,715</b> | <b>43,164,313</b> |

The notes on pages 81-86 are an integral part of these Parent Company financial statements.

The Parent Company financial statements on pages 76-86 were authorised for issue by the Board on 14 April 2022 and were signed on its behalf by:

**Johan Per Carl Svensson**  
Director

**Erik Johan Sebastian Skarp**  
Director

## Statement of Changes in Equity – Parent Company

|                                       | Notes | Share Capital | Share Premium     | Other Reserves   | Accumulated losses | Total             |
|---------------------------------------|-------|---------------|-------------------|------------------|--------------------|-------------------|
|                                       |       | €             | €                 | €                | €                  | €                 |
| Balance at 1 January 2021             |       | 74,827        | 41,602,762        | (339,460)        | (246,070)          | 41,092,059        |
| <b>Comprehensive income</b>           |       |               |                   |                  |                    |                   |
| Loss for the year                     |       | -             | -                 | -                | (201,648)          | (201,648)         |
|                                       |       | -             | -                 | -                | (201,648)          | (201,648)         |
| <b>Transactions with owners</b>       |       |               |                   |                  |                    |                   |
| Issue of share capital                | 13    | 7,764         | 6,992,236         | -                | -                  | 7,000,000         |
| Equity-settled share-based payments   | 13    | -             | -                 | 135,043          | -                  | 135,043           |
| <b>Total transactions with owners</b> |       | <b>7,764</b>  | <b>6,992,236</b>  | <b>135,043</b>   | <b>-</b>           | <b>7,135,043</b>  |
| <b>Balance at 31 December 2021</b>    |       | <b>82,591</b> | <b>48,594,998</b> | <b>(204,417)</b> | <b>(447,718)</b>   | <b>48,025,454</b> |
| Balance at 1 January 2020             |       | 75,801        | 41,602,762        | (520,134)        | 724,003            | 41,882,432        |
| <b>Comprehensive income</b>           |       |               |                   |                  |                    |                   |
| Loss for the year                     |       | -             | -                 | -                | (970,073)          | (970,073)         |
|                                       |       | -             | -                 | -                | (970,073)          | (970,073)         |
| <b>Transactions with owners</b>       |       |               |                   |                  |                    |                   |
| Equity-settled share-based payments   | 13    | -             | -                 | 179,700          | -                  | 179,700           |
| Cancellation of treasury shares       | 13    | (974)         | -                 | 974              | -                  | -                 |
| <b>Total transactions with owners</b> |       | <b>(974)</b>  | <b>-</b>          | <b>180,674</b>   | <b>-</b>           | <b>179,700</b>    |
| <b>Balance at 31 December 2020</b>    |       | <b>74,827</b> | <b>41,602,762</b> | <b>(339,460)</b> | <b>(246,070)</b>   | <b>41,092,059</b> |

The notes on pages 81-86 are an integral part of these Parent Company financial statements.

## Statement of Cash Flows – Parent Company

|   | Notes | Year ended 31 December |                    |
|---|-------|------------------------|--------------------|
|   |       | 2021                   | 2020               |
|   |       | €                      | €                  |
| <b>Cash flows from operating activities</b>                   |       |                        |                    |
| Loss before tax   |       | (201,648)              | (970,073)          |
| Adjustments for:  |       |                        |                    |
| Finance costs   |       | 435,795                | 279,336            |
| Finance income  |       | (496,027)              | -                  |
| Equity-settled share-based payment transactions               |       | 135,043                | 179,700            |
|   |       | (126,837)              | (511,037)          |
| Changes in:   |       |                        |                    |
| Trade and other receivables                                   | 11    | (12,453,976)           | 2,065,901          |
| Trade and other payables                                      |       | 167,374                | 28,874             |
| <b>Net cash (used in)/generated from operating activities</b> |       | <b>(12,413,439)</b>    | <b>1,583,738</b>   |
| <b>Cash flows from financing activities</b>                   |       |                        |                    |
| Repayments of borrowings                                      | 15    | (2,000,000)            | (1,500,000)        |
| Proceeds from drawdowns on borrowing                          | 15    | 14,625,000             | -                  |
| Interest paid   |       | (213,609)              | (202,251)          |
| <b>Net cash generated from/(used in) financing activities</b> |       | <b>12,411,391</b>      | <b>(1,702,251)</b> |
| Net movements in cash and cash equivalents                    |       | (2,048)                | (118,513)          |
| Cash and cash equivalents at the beginning of the year        |       | 70,307                 | 188,820            |
| <b>Cash and cash equivalents at the end of the year</b>       | 12    | <b>68,259</b>          | <b>70,307</b>      |

**Non-cash information:** The increase in the investment of subsidiaries of € 9.2 million was financed through issuance of shares.

The notes on pages 81-86 are an integral part of these Parent Company financial statements.

# Notes to the Parent Company Financial Statements

|  |    |  |    |
|--|----|--|----|
| 1. <i>Accounting policy</i>            | 81 | 11. <i>Loan receivable</i>                   | 85 |
| 2. <i>Financial risk management</i>    | 81 | 12. <i>Cash and cash equivalents</i>         | 85 |
| 3. <i>Revenue</i>                      | 83 | 13. <i>Share capital and other reserves</i>  | 85 |
| 4. <i>Employee benefit expense</i>     | 83 | 14. <i>Deferred tax</i>                      | 85 |
| 5. <i>Share-based payment plans</i>    | 83 | 15. <i>Borrowings</i>                        | 86 |
| 6. <i>Other operating expenses</i>     | 83 | 16. <i>Amounts committed on acquisition</i>  | 86 |
| 7. <i>Net finance costs</i>            | 84 | 17. <i>Trade and other payables</i>          | 86 |
| 8. <i>Tax expense</i>                  | 84 | 18. <i>Related party transactions</i>        | 86 |
| 9. <i>Investment in subsidiaries</i>   | 84 | 19. <i>Events after the reporting period</i> | 86 |
| 10. <i>Trade and other receivables</i> | 85 |  |    |

## 1 ACCOUNTING POLICY

Reference is made to note 2 to the consolidated financial statements and the difference in accounting policies between the Group and the Parent Company are stated below.

### 1.1 Basis of preparation

#### 1.1.1 Going concern

During 2021, the Company has operated with a net cash balance. As at 31 December 2021, the Company is in a net current liability position of € 17.2 million. The Company expects to remedy this position by way of its projected quarterly positive cash generation in 2022 by its subsidiaries whilst considering re-financing options (including the possibility of extending the existing facility by another twelve-month term). The Company has complied with the financial covenants of its credit facility during the reporting period.

### 1.2 Revenue recognition

The revenue of the Company mainly arises from three sources; dividend income from its subsidiary, providing management services to its subsidiaries and finance income. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue comprises the fair value of the consideration received or receivable from transactions in the ordinary course of the Company's activities.

#### 1.2.1 Dividend income

Dividend income is recognised when the right to receive payment is established.

#### 1.2.2 Management services

The Company provides management services to its subsidiaries and receives a management fee that is recognised yearly.

#### 1.2.3 Finance income

Finance income is interest received on the loan with the Company's direct subsidiary. Interest income is recognised yearly and calculated using the straight-line method.

### 1.3 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The

Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of the investment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation where applicable, if no impairment loss had previously been recognised.

### 1.4 Financial assets

The Company applies the policies for financial assets in line with the Group, with the addition of intercompany balances. Reference is made to note 2.12 in the consolidated financial statements.

## 2 FINANCIAL RISK MANAGEMENT

The Company's activities potentially expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and cash flow and fair value interest rate risk). The management of the Company's financial risk is based on a financial policy approved by the directors and exposes the Company to a low level of risk. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding period.

### 2.1 Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. It mainly arises loan receivables, trade and other receivables and on cash and cash equivalents.



The Company exposure to credit risk at the end of the reporting period is analysed as follows:

|   | 2021              | 2020              |
|---|-------------------|-------------------|
|   | €                 | €                 |
| Cash and cash equivalents (note 12)         | 68,259            | 70,307            |
| Amounts due from subsidiary (note 10)       | 38,190,474        | 39,941,513        |
| Loan receivable from a subsidiary (note 11) | 15,000,000        | -                 |
| <b>Maximum exposure to credit risk</b>      | <b>53,258,733</b> | <b>40,011,820</b> |

The Company's maximum exposure to credit risk is the carrying amount set out in the above table.

As at 31 December 2021 and 2020, the Company's cash at bank was held with leading European financial institutions which have a credit rating of BBB- or better as assessed by the international rating agency Standard and Poor's.

The Company's receivable from Raketech Group Limited, its subsidiary is deemed by management to be immaterial as the recovery strategies indicate that the outstanding balances will be fully recovered.

## 2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is exposed to liquidity risk in relation to

meeting future obligations associated with its financial liabilities which comprise trade and other payables.

The approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. This risk management process includes the regular forecasting of cash flows by the Company's management.

During 2021, the Company has operated with a net cash balance. As at 31 December 2021, the Company is in a net current liability position of €17.2 million. The Company expects to remedy this position by way of its projected quarterly positive cash generation in 2022 from its subsidiaries whilst considering re-financing options (including the possibility of extending the existing facility by another twelve-month term). The Company has complied with the financial covenants of its credit facility during the reporting period.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. Balances in the table below represent the carrying value as the impact of discounting is not significant. Amounts committed on acquisition payable in less than one year is comprised of a non-cash transaction of €2.2 million worth of shares pending for issue.

|   | Carrying amount   | On demand    | Less than 1 year  |
|---|-------------------|--------------|-------------------|
|   | €                 | €            | €                 |
| <b>At 31 December 2021</b>                    |                   |              |                   |
| <b>Liabilities</b>                            |                   |              |                   |
| Borrowings (note 15)                          | 14,741,096        | -            | 14,741,096        |
| Amounts committed on acquisition (note 16)    | 2,210,238         | -            | 2,210,238         |
| Amounts payables to related parties (note 17) | 8,575             | 8,575        | -                 |
| Other trade and other payables (note 17)      | 236,810           | -            | 236,810           |
| <b>Total liabilities</b>                      | <b>17,196,719</b> | <b>8,575</b> | <b>17,188,144</b> |
| <b>At 31 December 2020</b>                    |                   |              |                   |
| <b>Liabilities</b>                            |                   |              |                   |
| Borrowings (note 15)                          | 1,931,462         | -            | 1,931,462         |
| Amounts payables to related parties (note 17) | 8,575             | 8,575        | -                 |
| Other trade and other payables (note 17)      | 135,240           | -            | 135,240           |
| <b>Total liabilities</b>                      | <b>2,075,277</b>  | <b>8,575</b> | <b>2,066,702</b>  |

The directors consider liquidity risk on the other financial liabilities to be insignificant.

## 2.3 Market risk

### 2.3.1 Foreign exchange risk

Foreign exchange risk arises from future commercial

transactions and recognised assets and liabilities which are denominated in a currency that is not the Company's functional currency. The Company's financial assets and financial liabilities are mainly

denominated in EUR. Accordingly, the directors of Raketech Group Holding PLC do not consider the Company to be significantly exposed to foreign exchange risk, and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

### 2.3.2 Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to cash flow interest rate risks arises mainly from current borrowings denominated in EUR. The Company regularly monitors its cash flow interest rate risk and considers it not to be significant in the context of the profits generated from its subsidiaries.

The Company is not exposed to fair value interest rate risk.

## 2.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's and Raketech Group's ability to continue as a going concern whilst maximising the return to shareholders through the optimisation of debt and equity balances. Strategies are expected to remain unchanged in the foreseeable future.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

The Company's equity, as disclosed in the separate statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

## 2.5 Fair values of financial instruments

At 31 December 2021 and 2020, the carrying amounts of cash at bank, receivables, payables, borrowings and accrued expenses reflected in the separate financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

# 3 REVENUE

The Company's principal activity is to act as a holding company. Accordingly, revenue mainly consists of dividends received from subsidiaries. In 2021 no subsidiary, direct or indirect, paid out dividends. Since 1 January 2021, the Company also provides management services to its subsidiaries and receives a yearly fee. In 2021 this fee amounted to €557,393 (nil).

# 4 EMPLOYEE BENEFIT EXPENSE

The Company's employee benefit expense comprises the following:

|                       | 2021           | 2020           |
|-----------------------|----------------|----------------|
|                       | €              | €              |
| Wages and salaries    | 509,935        | 585,130        |
| Social security costs | 5,314          | 5,996          |
|                       | <b>515,249</b> | <b>591,126</b> |

The average number of persons employed during the year:

|                              | 2021     | 2020     |
|------------------------------|----------|----------|
| Management                   | 2        | 2        |
| Administration and operating | 0        | 1        |
|                              | <b>2</b> | <b>3</b> |

# 5 SHARE-BASED PAYMENT PLANS

Reference is made to the disclosures in note 10 of the consolidated financial statements.

# 6 OTHER OPERATING EXPENSES

The Company's other operating expenses comprise the

following:

|                              | 2021           | 2020          |
|------------------------------|----------------|---------------|
|                              | €              | €             |
| Consultancy services         | 30,000         | 3,532         |
| Professional fees            | 256,929        | 80,858        |
| Travelling and entertainment | 5,585          | -             |
| Other expenses               | 11,510         | 15,221        |
|                              | <b>304,024</b> | <b>99,611</b> |

### Auditor's fee

Fees (exclusive of VAT) charged by the auditor for services rendered during the financial years ended 31 December 2021 and 2020 relate to the following:

|                                      | 2021          | 2020          |
|--------------------------------------|---------------|---------------|
|                                      | €             | €             |
| Annual statutory audit               | 16,600        | 10,810        |
| Other assurance services             | 17,758        | -             |
| Tax advisory and compliance services | 5,000         | 8,586         |
| Other non-audit services             | 1,000         | 15,000        |
|                                      | <b>40,358</b> | <b>34,396</b> |

## 7 NET FINANCE COSTS

Net finance cost for the years ended 31 December 2021 and 2020 comprises the following:

|                                    | 2021          | 2020             |
|------------------------------------|---------------|------------------|
|                                    | €             | €                |
| Interest income (note 11)          | 496,027       | -                |
| Interest cost and similar expenses | (435,795)     | (279,336)        |
| <b>Net finance costs</b>           | <b>60,232</b> | <b>(279,336)</b> |

## 8 TAX EXPENSE

The tax charge for the years ended 31 December 2021 and 2020 comprises the following:

|                     | 2021     | 2020     |
|---------------------|----------|----------|
|                     | €        | €        |
| Current tax expense | -        | -        |
|                     | <b>-</b> | <b>-</b> |

The tax on the Company's results before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

|  | 2021      | 2020      |
|--|-----------|-----------|
|  | €         | €         |
| Loss before tax                          | (201,648) | (970,073) |
| Tax on loss at 5% (2020: 35%)            | (10,082)  | (339,525) |
| Tax effect of:                           |           |           |
| Expenses not deductible for tax purposes | 10,082    | 339,525   |
| <b>Tax expense</b>                       | <b>-</b>  | <b>-</b>  |

In 2021, the Company and its subsidiaries Raketech Group Limited and Casumba Media Ltd have opted to form a fiscal unity under the 'Consolidated Group (Income Tax) Rules, 2019'. The latter came into effect as from fiscal year 2019 and enables the Maltese registered entities to be treated as one fiscal unit, a single taxpayer and to compute their chargeable income or losses on a consolidated basis.

In terms of the agreement, the Company will be considered as the 'principal taxpayer' of the Fiscal Unit and assumes the rights, duties and obligations under the Maltese Income Tax Act relative to entities forming part of the Fiscal Unit.

Under the terms of this agreement, the Company, as principal taxpayer, will assume the obligation to remit taxes to the Maltese Inland Revenue, and the members of the Fiscal Unit will compensate the Company for their share of tax payable assumed or conversely be compensated for their share of any tax receivable. As a result, the Company recognises current tax liabilities, deferred tax assets arising from unused tax losses and tax credits arising from this allocation process as a liability towards or asset receivable from the subsidiary. Since the tax consolidation regime allows for a full integration of the tax position of its members, during the year to 31 December 2021, the Company, has applied an equivalent effective tax rate of 5% for the computation of current and deferred tax linked to Malta based activity.

## 9 INVESTMENT IN SUBSIDIARIES

The subsidiaries in which an investment is held at 31

December 2021 and 2020 are shown below:

|                                   | Registered office  | Class of shares held | Percentage of shares held by the parent |                  |
|-----------------------------------|--|----------------------|---|------------------|
|                                   |  |                      | 2021                                    | 2020             |
| Raketech Group Limited            | Soho Office<br>The Strand,<br>Fawwara<br>Building, Triq<br>I-Imsida, Gzira<br>GZR 1401 Malta | Ordinary shares      | 100.00%                                 | 100.00%          |
|                                   |  |                      | 2021                                    | 2020             |
|                                   |  |                      | €                                       | €                |
| <b>Investment in subsidiaries</b> |  |                      | <b>12,362,731</b>                       | <b>3,152,493</b> |

Investments in subsidiaries has been assessed for impairment in 2021 and 2020. The assessment did not lead to any impairment in either 2021 or 2020.

The subsidiaries indirectly held by the Company are separately disclosed in note 27 of the consolidated financial statements.

## 10 TRADE AND OTHER RECEIVABLES

|                               | 2021              | 2020              |
|-------------------------------|-------------------|-------------------|
|                               | €                 | €                 |
| <b>Current</b>                |                   |                   |
| Amounts due from subsidiaries | 213,885           | -                 |
| Prepayments                   | 1,251             | -                 |
|                               | <b>215,136</b>    | <b>-</b>          |
| <b>Non-Current</b>            |                   |                   |
| Amounts due from subsidiaries | 37,976,589        | 39,941,513        |
|                               | <b>38,191,725</b> | <b>39,941,513</b> |

The amounts due from the subsidiaries are unsecured, interest free and whilst repayable on demand, there is no expectation that these will be settled in the next twelve months.

## 11 LOAN RECEIVABLE

During 2021, € 15 million of the amounts owed from

Raketech Group Limited, its subsidiary were converted into a loan with an interest rate of 4.25%. The loan is unsecured and whilst repayable on demand, there is no expectation that this amount will be settled in the next twelve months.

For the period January to December 2021, finance income amounted to € 0.5 million (nil).

## 12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks. For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

|                     | 2021          | 2020          |
|---------------------|---------------|---------------|
|                     | €             | €             |
| <b>Cash at bank</b> | <b>68,259</b> | <b>70,307</b> |

## 13 SHARE CAPITAL AND OTHER RESERVES

The Company's share premium excludes the capitalised transaction costs of € 2.2 million incurred during IPO. These costs were borne by its subsidiary Raketech Group Limited.

For further detail on the Company's other reserves, refer to note 21 of the consolidated financial statements.

## 14 DEFERRED TAX

Deferred tax is calculated on all temporary differences under the liability method using the tax rate that is expected to apply to the period when the assets/liabilities are settled, based on the tax rates expected in the tax jurisdictions concerned.

During 2021, Raketech Group Holding PLC together with Raketech Group Limited and Casumba Media Ltd applied for the fiscal consolidation, with Raketech Group Holding PLC registered as the principal taxpayer. The deferred tax liability amounting to € 0.1 million is payable by the Company on behalf of Raketech Group

Limited. The principal tax rate used in arriving to the deferred tax liability is 5%, which is the effective tax rate for the Group's profits earned in Malta.

## 15 BORROWINGS

In December 2018, Raketech entered into an agreement with Swedbank for a revolving credit facility of € 10.0 million. In March 2021, the utilised amount of the credit facility amounting to € 2.0 million was repaid in full. On September 2, 2021, Raketech requested an early cancellation of the credit facility with Swedbank and the release of the pledged shares.

In July 2021, Raketech entered into an agreement with Avida Finans AB for a one-year revolving credit facility of € 15.0 million with an interest rate of 4.25%. The credit facility with Avida Finans AB replaced the previous facility with Swedbank. The credit facility with Avida Finans AB includes an extension option and can thus be renewed for another twelve-month term from its first date of utilisation subject to certain conditions. As of 31 December 2021, the utilised credit amounts to € 15.0 million (€ 0.0 million). The contractual terms of the new revolving credit facility with Avida Finans AB required Raketech Holding PLC to pledge its entire shareholding in Raketech Group Limited to the lender as collateral.

For the period January to December 2021, finance costs, in relation to borrowings, have increased to € 0.4 million (€ 0.3 million) due to the higher outstanding loan amount.

## 16 AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations resulting from acquisitions of intangible assets from third parties.

The amounts committed on acquisition for the year included in the Company's statement of financial position, refers to the latest investment in A.T.S. Consultants Inc.'s assets. The amount payable in shares as at 31 December 2021 amounted to € 2.2 million. Such shares were still pending for issuance at the time of reporting.

## 17 TRADE AND OTHER PAYABLES

|                                       | 2021           | 2020           |
|---------------------------------------|----------------|----------------|
|                                       | €              | €              |
| <b>Current</b>                        |                |                |
| Trade payables                        | 14,759         | 28,644         |
| Amounts owed to other related parties | 8,575          | 8,575          |
| Indirect taxes                        | 100,333        | (3,023)        |
| Accruals and deferred income          | 222,051        | 106,596        |
|                                       | <b>345,718</b> | <b>140,792</b> |

## 18 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.

In addition to the above, personnel costs that are incurred by the Company and that are not recharged to group companies are also treated as related party transactions. Year-end balances with related parties are disclosed in notes 10 and 14.

## 19 EVENTS AFTER THE REPORTING PERIOD

Following the escalation of the geopolitical tensions in Russia and Ukraine during February 2022, the Group has gone through a process of assessing any potential exposures with no material exposure identified. Whilst the Group is not exposed to these jurisdictions, management will continue to actively monitor the situation and will assess any impact as it is deemed to arise.

# Independent Auditor's Report





## Independent auditor's report

To the Shareholders of Raketech Group Holding PLC

### Report on the audit of the financial statements

#### Our opinion

In our opinion:

- The Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the Group and the Parent Company's financial position of Raketech Group Holding PLC as at 31 December 2021, and of the Group's and the Parent Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

#### What we have audited

Raketech Group Holding PLC's financial statements, set out on pages 43 to 86, comprise:

- the Consolidated statement of comprehensive income for the year ended 31 December 2021;
- the Consolidated statement of financial position as at 31 December 2021;
- the Consolidated statement of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the notes to the Consolidated financial statements, which include significant accounting policies and other explanatory information;
- the Parent Company statement of comprehensive income for the year ended 31 December 2021;
- the Parent Company statement of financial position as at 31 December 2021;
- the Parent Company statement of changes in equity for the year then ended;
- the Parent Company statement of cash flows for the year then ended; and
- the notes to the Parent Company financial statements, which include significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Independent auditor's report - continued

To the Shareholders of Raketech Group Holding PLC

#### Independence

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

#### Other information

The directors are responsible for the other information. The other information comprises all of the information in the Annual Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



## Independent auditor's report - continued

To the Shareholders of Rakotech Group Holding PLC

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's or the Parent company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Group's and the Parent company's trade, customers and suppliers, and the disruption to their business and the overall economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent auditor's report - continued

To the Shareholders of Rakotech Group Holding PLC

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### Report on other legal and regulatory requirements

The 2021 Annual Report contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

| Area of the 2021 Annual Report and the related Directors' responsibilities   | Our responsibilities   | Our reporting   |
|--|--|---|
| <p><b>Directors' report</b><br/>(on pages 40 to 42)</p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p> | <p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p> | <p>In our opinion:</p> <ul style="list-style-type: none"> <li>the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).</li> </ul> <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p> |



## Independent auditor's report - continued

To the Shareholders of Rakotech Group Holding PLC

| Area of the 2021 Annual Report and the related Directors' responsibilities | Our responsibilities  | Our reporting   |
|--|---|---|
|  | <p><b>Other matters on which we are required to report by exception</b></p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.</li> <li>the financial statements are not in agreement with the accounting records and returns.</li> <li>we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.</li> </ul> | <p>We have nothing to report to you in respect of these responsibilities.</p> |



## Independent auditor's report - continued

To the Shareholders of Rakotech Group Holding PLC

### Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

#### PricewaterhouseCoopers

78, Mill Street  
 Zone 5, Central Business District  
 Qormi  
 Malta

Romina Soler  
 Partner

14 April 2022



# Definitions

|                                      |  |
|--------------------------------------|--|
| <b>ADJUSTED EBITDA</b>               | EBITDA adjusted for non-recurring costs  |
| <b>ADJUSTED EBITDA MARGIN</b>        | Adjusted EBITDA as a percentage of total revenue for the year  |
| <b>ADJUSTED OPERATING MARGIN</b>     | Operating margin adjusted for non-recurring costs  |
| <b>ADJUSTED OPERATING PROFIT</b>     | Operating profit adjusted for non-recurring costs  |
| <b>EBITDA</b>                        | Operating profit before depreciation, amortisation and impairment  |
| <b>EBITDA MARGIN</b>                 | EBITDA as a percentage of revenue for the year   |
| <b>LTM</b>                           | Last twelve months   |
| <b>NDC (NEW DEPOSITING CUSTOMER)</b> | A new customer placing a first deposit on a partners' website  |
| <b>NET DEBT-TO-ADJUSTED EBITDA</b>   | Net interest-bearing debt at the end of the year in relation to adjusted LTM EBITDA  |
| <b>NET INTEREST-BEARING DEBT</b>     | Interest-bearing debt at the end of the year, excluding earn-outs from acquisitions, minus cash and cash equivalents at the end of the year  |
| <b>OPERATING MARGIN</b>              | Operating profit as a percentage of revenue for the year   |
| <b>OPERATING PROFIT</b>              | Profit before financial items and taxes  |
| <b>ORGANIC GROWTH</b>                | 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 |
| <b>P/E MULTIPLE</b>                  | The price to earnings ratio compares the share price to the company's earnings per share over a given period of time   |
| <b>P/S MULTIPLE</b>                  | The price to sales ratio compares the share price to the revenues from sales over a given period of time   |
| <b>REVENUE GROWTH</b>                | Increase in revenue compared to the previous accounting period/year as a percentage of revenue in the previous accounting period/year  |
| <b>TRAFFIC</b>                       | Relates to the number of visitors/users of Raketech's assets   |

# Information to Shareholders

## Annual General Meeting

The Annual General Meeting of Raketech Group Holding PLC will be held at 13.00 CET on 17 May 2022, at the premises of Advokatfirman Vinge, Smålandsgatan 20, Stockholm Sweden. The notification was made through an advertisement placed in the Swedish national daily business-paper Dagens Industri as well as through a press release and the Company's web page.

The notice and other information in preparation for the Annual General Meeting are available at [www.raketech.com](http://www.raketech.com).

## Financial information 2022

|                                 |                           |                              |                                  |
|---------------------------------|---------------------------|------------------------------|----------------------------------|
| 11 MAY                          | 17 MAY                    | 17 AUGUST                    | 10 NOVEMBER                      |
| Interim Report<br>January–March | Annual General<br>Meeting | Interim Report<br>April–June | Interim Report<br>July–September |

Additional information

Financial reports are published in English. The reports and other information from the Company are published on the Group's website [www.raketech.com](http://www.raketech.com).

Please visit our website, [www.raketech.com](http://www.raketech.com), which, in addition to a broad presentation of the Company, offers an in-depth investor relations section.

## Shareholder contact

Måns Svalborn, CFO

Andreas Kovacs, Director of Business Development

E-mail: [investor@raketech.com](mailto:investor@raketech.com)

This Annual Report can be ordered in printed format via [investor@raketech.com](mailto:investor@raketech.com) or downloaded as a pdf via [www.raketech.com](http://www.raketech.com).

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