

RAKETECH

Q1 Interim Report

2022

All-time high revenues with US sports leading the way

EUR thousands	Jan-Mar	Jan-Mar	Change
	2022	2021	
Revenue	12,694	8,279	53.3%
Reported EBITDA	5,084	3,205	58.6%
Operating profit	3,208	1,561	105.5%
Earnings per share after dilution (EUR) (IFRS)	0.05	0.03	78.6%

Q1 2022 FINANCIAL HIGHLIGHTS

- Revenues totalled EUR 12.7 million (EUR 8.3 million).
- US revenues amounted to EUR 2.4 million (EUR 0.5 million), representing an increase of 379.9%.
- Sports revenues amounted to EUR 4.3 million (EUR 1.4 million), corresponding to 34.2% (17.0%) of total revenues.
- Organic growth amounted to 6.8% (5.4%).
- EBITDA amounted to EUR 5.1 million (EUR 3.2 million), corresponding to a margin of 40.1% (38.7%).
- Earnings per share after dilution amounted to EUR 0.05 (EUR 0.03).

Q1 2022 OPERATIONAL HIGHLIGHTS

- Continued strong growth for Infinileads and QM Media, once again showcasing our ability to grow acquisitions by exchanging best practices, optimizing commercials, and providing access to central BI/Analytics and tech resources and infrastructure.
- Inhouse development “Affiliation Cloud”, a login one-stop-shop providing external affiliates with competitive commercials, a performance marketing media library and site performance and comparison analytics.

SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

- Clare Boynton and Pierre Cadena nominated to join Raketech’s Board of Directors
- Revenues in April 2022 amounted to EUR 3.8 million (EUR 2.8 million).

CEO Comment

The first quarter of 2022 amounted to yet another revenue record for Raketech Group, much thanks to our recent ATS acquisition that contributed with substantial and important US revenues. Which, during the quarter was neck on neck with Sweden as Raketech's largest market, showcasing a growth of 380% in absolute terms year over year.

Total revenues amounted to EUR 12.7m, which corresponds to a 53% growth. EBITDA subsequently increased with 59% to EUR 5.1m in absolute terms. Sport revenues as share of total amounted to 34.2%, in line with our strategic goals. In absolute terms this corresponds to a growth of 208%, primarily driven by acquisitions.

Margins from our more mature and/or casino dominated markets continued to be comfortably strong, at 47%, but with the sports and investment heavy US market making up almost 20% of the group total we, as expected saw group margins, decline slightly from previous quarter, however increasing year over year, thanks to benefits of scale.

I am furthermore pleased to see that our previous 2021 acquisitions, QM media and Infinileads, targeting markets such as India, the South of Europe and the US continued to show growth in the span of 35-85%. Once again, a proof of our ability to grow acquisitions by exchanging best practices, optimizing commercials, and providing access to central BI/Analytics and tech resources and infrastructure.

During the quarter we have however also seen headwinds, particularly in Finland due to recently imposed regulations on gambling advertisement. Essentially all large operators have chosen to significantly lower or withdraw completely from this market which subsequently has led to a decline in marketing and affiliation investments. Additionally, our largest asset Casinofeber has seen a slight decline, however to a large extent offset by other Swedish assets growing confidently. However, considering it's a large asset it dampened the Swedish growth slightly during the quarter.

Generally speaking Q1 of 2022, Finland and Casinofeber aside, was however a stable quarter in which we saw good performance across the line of affiliate assets. In the US we are continuing to build and invest in mechanisms to add affiliation to non-affiliation assets, and I am glad to conclude that we already have approximately 10% of PicksandParlays revenues coming from affiliation. We look forward to continuing to invest in this area and expect the affiliation share to increase over time as we improve the mechanisms and transfer the learnings to all other assets in the US.

With regards to other growth investments, I am excited to present our latest growth business area, developed

inhouse; "Affiliation Cloud". This is a unique single login one-stop-shop, which to the affiliates provides world class competitive commercials, automatically sorted and optimized top lists based on user data, and a performance marketing media library, access to unique site performance and comparison analytics data powered by Raketech's full portfolio of websites across the globe. To the operators the Affiliation Cloud provides easy access to a world of vetted, compliant, and high-quality affiliates, saving both time and money, while improving marketing efficiency.

Currently we are beta testing the Affiliation Cloud, and we expect to roll it out full scale during H2 2022 and we project it to add at least EUR 10m worth of incremental revenues annually within 2 years from launch, at approximately 10-15% margin.

OUTLOOK

April revenues totaled EUR 3.8m which is slightly lower than previous months, driven by a slowdown within our US betting tips and subscriptions offering, expected as an effect of low season for this area.

With relatively stable US operational costs, in particular from our tipster subscription services, we expect margins for this specific market to decrease during Q2 due to seasonality before increasing again during peak season. This in combination with current growth investments will lower margins slightly for the group during Q2. With that said it is important to point out that our full year projections for 2022 with regards to financial performance are unchanged. We are still aiming at a top line revenue in the span of 50-55 million euros and an EBITDA margin between 40 and 44 percent. We believe that it is likely that we land in the higher end of this interval with regards to revenue and in the lower end with regards to EBITDA margin. H2 is traditionally a stronger period and with the World Cup in Football in November we have no reasons to believe otherwise this year.

Finally, I want to emphasize that I am very happy with the position we are in. We have a solid footprint on most important growth markets in the world, the transformation from offline to online within iGaming is quicker than ever, affiliation as a marketing solution is more relevant than ever and we have a great global portfolio of assets and a solid organization in place in the most important growth market in the world, the US. All this, in combination with the launch of Affiliation Cloud, basically making our proprietary technology available for external affiliates, Raketech is in pole position, and I am very much looking forward to the future.

Oskar Mühlbach, Group CEO

Consolidated Key Data and Ratios

Some financial measures presented in this report, including key data and ratios are not defined by International Financial Reporting Standards (IFRS). These measures will not necessarily be comparable to similarly titled measures in the reports of other companies. Further definitions can be found on page 19 of this report. These non-IFRS measures may provide valuable additional information to investors and management although they should not be considered as substitutes for financial reporting measures prepared in accordance with IFRS.

EUR thousands	Jan-Mar	Jan-Mar	Change	Jan-Dec
Financial Data	2022	2021		2021
Revenue (IFRS)	12,694	8,279	53.3%	38,512
<i>Organic growth</i>	6.8%	5.4%	1.4	17.5%
<i>Revenue share</i>	39.5%	40.5%	(1.0)	41.7%
<i>Upfront payment</i>	29.9%	42.8%	(12.9)	39.8%
<i>Flat fee</i>	14.2%	16.7%	(2.5)	16.5%
<i>Betting tips and subscription income</i>	16.4%	0.0%	16.4	2.0%
Affiliation marketing	8,152	6,288	29.6%	28,877
<i>Affiliation marketing (% of total revenue)</i>	64.2%	76.0%	(11.7)	75.0%
Network	2,455	1,991	23.3%	8,858
<i>Network (% of total revenue)</i>	19.3%	24.0%	(4.6)	23.0%
Betting tips and subscription income	2,087	-	-	777
<i>Betting tips and subscription income (% of total revenue)</i>	16.5%	0.0%	16.5	2.0%
Casino	8,319	6,832	21.8%	31,490
<i>Casino (% of total revenue)</i>	65.5%	82.5%	(17.0)	81.8%
Sport	4,337	1,409	207.9%	6,891
<i>Sport (% of total revenue)</i>	34.2%	17.0%	17.2	17.9%
Other	38	38	0.7%	131
<i>Other (% of total revenue)</i>	0.3%	0.5%	(0.2)	0.3%
Revenue from the Nordics	5,382	5,375	0.1%	22,902
<i>Nordics (% of total revenue)</i>	42.4%	64.9%	(22.5)	59.5%
Revenue from the Rest of Europe	669	556	20.2%	3,241
<i>Rest of Europe (% of total revenue)</i>	5.3%	6.7%	(1.5)	8.4%
Revenue from the US	2,449	510	379.9%	2,111
<i>US (% of total revenue)</i>	19.3%	6.2%	13.1	5.5%
Revenue from the Rest of World	4,194	1,838	128.2%	10,258
<i>Rest of World (% of total revenue)</i>	33.0%	22.2%	10.8	26.6%
EBITDA	5,084	3,205	58.6%	16,151
<i>EBITDA margin</i>	40.1%	38.7%	1.3	41.9%
Adjusted EBITDA¹	5,084	3,205	58.6%	16,475
<i>Adjusted EBITDA margin¹</i>	40.1%	38.7%	1.3	42.8%
Operating profit	3,208	1,561	105.5%	9,357
<i>Operating margin</i>	25.3%	18.9%	6.4	24.3%
Adjusted Operating profit¹	3,208	1,561	105.5%	9,681
<i>Adjusted Operating margin¹</i>	25.3%	18.9%	6.4	25.1%

¹Non-recurring costs amounting to EUR 0.3 million recognized in Q3 2021 relate to costs incurred in connection with the completed acquisitions.

Consolidated Key Data and Ratios, continued

EUR thousands	Jan-Mar	Jan-Mar	Change	Jan-Dec
Other Performance Measures	2022	2021		2021
New depositing customers (NDC)	35,523	39,874	(10.9%)	158,403
Full time employees	108	75	44.0%	93
Contractors	125	63	98.4%	104
Net interest-bearing debt	12,131	(4,024)	(401.5%)	11,536
Net debt-to-adjusted EBITDA LTM	0.66	(0.32)	(307.1%)	0.70
Earnings per share before dilution (EUR) (IFRS)	0.05	0.03	79.5%	0.18
Earnings per share after dilution (EUR) (IFRS)	0.05	0.03	78.6%	0.18
Weighted average number of shares, before dilution	41,295,601	37,413,633	10.4%	38,732,439
Weighted average number of shares, after dilution	42,661,186	38,431,088	11.0%	40,024,377

Financial Performance during the First Quarter of 2022

REVENUES

Revenues totalled EUR 12.7 million (EUR 8.3 million) representing an increase of 53.3%. The increase was driven by organic growth of 6.8% (5.4%) within Network sales as well as continued strong growth in Rest of the world. Furthermore, revenues continued to grow from recent acquisitions with positive development within US and Indian sports as well as the European casino assets. NDCs decreased by 10.9%, an effect of Raketech actively targeting fewer but higher value leads.

EXPENSES

Direct expenses increased to EUR 3.6 million (EUR 2.9 million) driven by added direct costs as a result of recent acquisitions as well as investments in the product portfolio.

Employee benefit expenses amounted to EUR 2.1 million (EUR 1.2 million). The increase relates primarily to added personnel through recent acquisitions. Full-time employees totalled 108 (75) and contractors totalled 125 (63) at the end of the period.

Other expenses amounted to EUR 1.9 million (EUR 1.0 million), representing primarily added costs through recent acquisitions.

Depreciation and amortisation amounted to EUR 1.9 million (EUR 1.6 million). The increased amortisation was primarily attributable to the upward adjustments to amounts committed on acquisitions relating to Casumba and the newly acquired assets Infinileads, QM Media, P&P Vegas Group and ATS Consultants.

PROFITABILITY

Reported EBITDA increased to EUR 5.1 million, (EUR 3.2 million) with higher revenues through organic growth and, as added revenues through recent acquisitions.

The EBITDA margin amounted to 40.1% (38.7%), 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.

The profit for the period amounted to EUR 2.2 million, (EUR 1.1 million), largely improved by organic growth within existing portfolio as well as added revenues through recent acquisitions.

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities increased to EUR 5.4 million (EUR 3.8 million), driven by improved profitability.

Cash flow from investing activities amounted to EUR -5.7 million (EUR -2.7 million) due to earn-out settlements made during the quarter.

Cash flow from financing activities amounted to EUR -0.2 million (EUR -2.0 million), as a result of loan interest and lease payments.

Cash and cash equivalents at the end of the quarter amounted to EUR 2.7 million (EUR 4.0 million).

THE PARENT COMPANY

Raketech Group Holding PLC is the Parent Company. Total operating costs amounted to EUR 0.2 million (EUR 0.2 million). Loss for the period was EUR 0.4 million (EUR 0.3 million).

Other

RAKETECH IN BRIEF

Raketech is a marketing tech company combining performance marketing and traditional performance-based affiliation by 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, casino and betting.

STOCK MARKET

Raketech Group Holding PLC is listed on Nasdaq First North Premier Growth Market. Raketech's shares commenced trading on 29 June 2018 and the outstanding number of shares is 41,295,601. The Raketech shares are traded under the ticker (RAKE) and ISIN code (MT0001390104).

SIGNIFICANT RISKS AND UNCERTAINTIES

The remote gaming industry, where the Group has its main customers, continues to undergo regulation and is therefore subject to political and regulatory risk. The Group operates in the emerging online gaming industry. Although Raketech is 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.

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

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

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

SUPPLEMENTAL INFORMATION

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

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

Upcoming Dates

17 MAY	ANNUAL GENERAL MEETING 2022
17 AUG	INTERIM REPORT APR-JUN 2022
10 NOV	INTERIM REPORT JUL-SEP 2022

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

Condensed Consolidated Interim Statement of Comprehensive Income

EUR thousands	Notes	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Total revenue	3	12,694	8,279	38,512
Direct costs relating to fixed fees and commission revenue		(3,637)	(2,875)	(11,478)
Employee benefit expense		(2,097)	(1,153)	(4,828)
Depreciation, amortisation and impairment		(1,876)	(1,644)	(6,794)
Loss allowance on trade receivables		-	-	65
Bad debts written-off		-	(3)	(158)
Other operating expenses		(1,876)	(1,043)	(5,962)
Total operating expenses		(9,486)	(6,718)	(29,155)
Operating profit		3,208	1,561	9,357
Revaluation of financial liabilities at fair value through profit or loss		-	(61)	(115)
Finance costs		(665)	(307)	(1,601)
Profit before tax		2,543	1,193	7,641
Tax expense		(295)	(61)	(508)
Profit for the period/ year		2,248	1,132	7,133
Other comprehensive income				
Currency translation adjustments taken to equity		279	-	(27)
Total other comprehensive loss for the period/year		279	-	(27)
Total comprehensive income for the period/year		2,527	1,132	7,106
Total comprehensive income attributable to:				
Equity holders of the Parent Company		2,527	1,133	7,106
Non-controlling interest		-	(1)	-
Earnings per share attributable to the equity holders of the Parent during the period/year (expressed in Euro per share)				
Earnings per share before dilution		0.05	0.03	0.18
Earnings per share after dilution		0.05	0.03	0.18

The notes on pages 11 to 15 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

EUR thousands	Notes	Mar-2022	Mar-2021	Dec-2021
Assets				
Non-current assets				
Goodwill	5	3,940	286	3,879
Intangible assets	5	122,510	83,204	123,736
Right-of-use assets	4	309	-	324
Property, plant and equipment		135	29	108
Other receivables		-	260	-
Total non-current assets		126,894	83,779	128,047
Current assets				
Trade and other receivables		6,505	4,725	6,246
Cash and cash equivalents		2,703	4,024	3,205
Total current assets		9,208	8,749	9,451
TOTAL ASSETS		136,102	92,528	137,498
Equity & liabilities				
Equity				
Share capital		83	75	83
Share premium		46,379	39,387	46,379
Other reserves		831	629	707
Retained earnings		40,348	31,897	37,896
Equity attributable to owners of the Company		87,641	71,988	85,065
Non-controlling interests		1	1	1
TOTAL EQUITY		87,642	71,989	85,066
Liabilities				
Non-current liabilities				
Deferred tax liability		1,975	1,613	1,901
Amounts committed on acquisition	7	12,813	10,068	18,257
Lease Liability	4	182	-	208
Total non-current liabilities		14,970	11,681	20,366
Current liabilities				
Borrowings	6	14,834	-	14,741
Amounts committed on acquisition	7	15,220	6,124	14,667
Trade and other payables		3,306	2,734	2,533
Lease Liability	4	130	-	125
Total current liabilities		33,490	8,858	32,066
TOTAL LIABILITIES		48,460	20,539	52,432
TOTAL EQUITY AND LIABILITIES		136,102	92,528	137,498

The notes on pages 11 to 15 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 7 to 17 were approved for publication by the Board of Directors on 11 May 2022 and were signed on the Board of Directors' behalf by:

Erik Skarp, Board member

Johan Svensson, Board member

Condensed Consolidated Interim Statement of Changes in Equity

EUR thousands	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity attributable to Owners of the Company	NCI	Total Equity
Balance at 1 January 2022	83	46,379	707	37,896	85,065	1	85,066
Comprehensive income							
Profit for the period	-	-	-	2,248	2,248	-	2,248
Other comprehensive income							
Currency translation adjustments taken to equity	-	-	75	204	279	-	279
	-	-	75	2,452	2,527	-	2,527
Transactions with owners							
Equity-settled share-based payments	-	-	49	-	49	-	49
Total transactions with owners	-	-	49	-	49	-	49
Balance at 31 March 2022	83	46,379	831	40,348	87,641	1	87,642
Balance at 1 January 2021	75	39,387	599	30,765	70,826	1	70,827
Comprehensive income							
Profit for the period	-	-	-	1,133	1,133	(1)	1,132
Other comprehensive income	-	-	1	-	1	-	1
	-	-	1	1,133	1,134	(1)	1,133
Transactions with owners							
Equity-settled share-based payments	-	-	29	-	29	-	29
Other transactions with NCI	-	-	-	(1)	(1)	1	-
Total transactions with owners	-	-	29	(1)	28	1	29
Balance at 31 March 2021	75	39,387	629	31,897	71,988	1	71,989
Balance at 1 January 2021	75	39,387	599	30,765	70,826	1	70,827
Comprehensive income							
Profit for the year	-	-	-	7,133	7,133	-	7,133
Other comprehensive income							
Currency translation adjustments taken to equity	-	-	(27)	(2)	(29)	-	(29)
	-	-	(27)	7,131	7,104	-	7,104
Transactions with owners							
Issue of share capital	8	6,992	-	-	7,000	-	7,000
Equity-settled share-based payments	-	-	135	-	135	-	135
Total transactions with owners	8	6,992	135	-	7,135	-	7,135
Balance at 31 December 2021	83	46,379	707	37,896	85,065	1	85,066

The notes on pages 11 to 15 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

EUR thousands	Notes	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Cash flows from operating activities				
Profit before tax		2,543	1,193	7,641
Adjustments for:				
Depreciation, amortisation and impairment		1,876	1,644	6,794
Loss allowance		-	-	(65)
Bad debts written-off		-	3	158
Net finance cost		665	307	1,601
Equity-settled share-based payment transactions		49	29	135
Revaluation of financial liabilities at fair value through profit or loss	7	-	61	115
Profit on disposal of property, plant and equipment		-	-	(1)
Unrealised exchange differences		5	1	-
		5,138	3,238	16,378
Net income taxes paid		-	-	(34)
Changes in:				
Trade and other receivables		(259)	189	(1,424)
Trade and other payables		560	351	(291)
Net cash generated from operating activities		5,439	3,778	14,629
Cash flows from investing activities				
Acquisition of property, plant and equipment		(40)	(6)	(46)
Acquisition of intangible assets		(5,699)	(2,668)	(14,554)
Acquisition of subsidiaries acquired through a business combination, net of cash acquired		-	-	(14,572)
Proceeds from sale of intangible assets		-	-	523
Net cash used in investing activities		(5,739)	(2,674)	(28,649)
Cash flows from financing activities				
Repayments of borrowings		-	(2,000)	(2,133)
Proceeds from drawdowns on borrowing		-	-	14,625
Lease payments	4	(32)	-	(19)
Interest paid		(170)	(46)	(214)
Net cash generated (used in)/from financing activities		(202)	(2,046)	12,259
Net movements in cash and cash equivalents		(502)	(942)	(1,761)
Cash and cash equivalents at the beginning of the period/year		3,205	4,966	4,966
Cash and cash equivalents at the end of the period/year		2,703	4,024	3,205

The notes on pages 11 to 15 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 REPORTING ENTITY

Raketech Group Holding PLC is a public limited company incorporated in Malta, having company registration number C77421. The condensed consolidated interim financial statements include the financial statements of Raketech Group Holding PLC and its subsidiaries, (together, the "Group").

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 ACCOUNTING POLICIES AND BASIS OF PREPARATION

Raketech prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. These condensed interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, and under the historical expense convention, as modified by the fair valuation of financial liabilities measured at fair value through profit and loss. The principal accounting policies applied in the preparation of the Group's condensed consolidated interim financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2021 which is publicly available.

Other than the earnings per share before and after dilution which are expressed in Euro (EUR), all other amounts are expressed in thousand Euro (EUR) or as otherwise indicated. Amounts or figures in parenthesis indicate comparative figures for the corresponding period last year. The 2021 Annual Report is available on Raketech's website.

2.1 New and amended standards adopted by the Group and changes in IFRS not yet applied

The new and amended standards issued by IASB effective from 2022, were not deemed to have a significant impact on Raketech's financial statements.

2.2 Critical accounting estimates – impairment assessment

IFRS requires management to undertake an annual test for impairment of intangible assets with an indefinite useful life. Impairment testing is an area involving management judgement. It requires assessments as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain estimates are required to be made in respect of highly uncertain matters, including management's expectation of growth in revenues. The Group will continue to carry out regular impairment testing and does not consider that the intangible assets as of 31 March 2022 are impaired. Further, IFRS 9 also requires impairment considerations to be performed for trade receivables on an ongoing basis. Judgement in relation to this assessment is subjective. Continued assessments are being made by management on the adequacy of the loss allowance provision relating to the carrying amount of trade receivables.

More information on where critical judgements are generally applied and where estimation uncertainty exists can be found in the Annual Report 2021, Note 3.

2.3 Critical accounting estimates – 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 consideration. The fair value is calculated on the expected cash outflow for each purchase agreement. Estimates of future cash flow relating to these contingent considerations are inherently uncertain and are made by management for each asset acquisition based on their knowledge of the industry historical performance and taking into account the economic environment at the time (Note 7).

2.4 Working capital deficiency

During the quarter, Raketech has operated with a with positive operating cash inflows. As at 31 March 2022, the Group is in a net current liability position of EUR 24.3 million, with EUR 2.2 million representing shares that are pending issuance. 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 refinancing options, including the possibility of extending the existing facility amounting to EUR 15 million (Note 6) 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.

3 REVENUES

The Group targets end-users and generates revenue by driving traffic through various channels to generate customer leads for its business partners. All revenue generated via acquisitions and through the different marketing methodologies is categorised as one revenue segment in line with internal management reporting. The Group plans to continue revisiting this assessment taking into account recent acquisitions.

The revenue for Raketech in the respective periods in 2022 and 2021 is further analysed as follows:

EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Change	Jan-Dec 2021
Revenue	12,694	8,279	53.3%	38,512
Commissions ¹	8,810	6,910	27.5%	31,332
Flat fees	1,797	1,369	31.2%	6,403
Betting tips and subscription income	2,087	-	100%	777

¹ The total amount of commissions includes revenue from Rapid, which is classified as revenue share.

4 LEASING

During the fourth quarter of 2021, the Group entered into a new office lease agreement for the US operations. Raketech has applied IFRS 16, Leasing, using the simplified approach. Accordingly, on 8 November a lease liability and a right-of-use asset were recognised.

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.

From 9 November 2021, the payments related to leasing have been allocated between the lease liability in the statement of financial position and finance cost in the statement of comprehensive income. The finance cost is allocated to each period during the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Leasing liability			
Opening balance	333	-	-
Discounted using the Group's incremental borrowing rate at 9 November 2021	-	-	341
Notional interest charge	5	-	3
Payments ¹	(32)	-	(19)
Changes in the value of the lease liability due to changes in foreign exchange rates	6	-	8
Leasing liability as at at the end of the period/year²	312	-	333

¹ Payments relate to rental costs replaced by notional interest and amortisation.

² Of the total leasing liability of EUR 312 thousand, EUR 182 thousand is long term and EUR 130 thousand is short term lease liabilities.

EUR thousands

Right-of-use asset

Opening balance	324	-	-
Right-of-use asset at 9 November 2021	-	-	341
Amortisation charge	(30)	-	(17)
Changes in the value of the lease liability due to changes in foreign exchange rates	15	-	-
Right-of-use asset as at 31 December 2021	309	-	324

5 INTANGIBLE ASSETS

Assets that have been identified as having a definite lifetime value are amortised between 3–5 years. 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 assets are a single cash-generating unit for the purposes of IAS 36. This conclusion is based on the fact that the Group monitors and manages its operations as one business unit. The Group plans to continue revisiting this assessment taking into account recent acquisitions. For further description, please refer to the Annual Report Note 15.

EUR thousands	Domains and websites	Player databases	Other intellectual property	Technical platform	Software	Goodwill	Total
Cost at 1 January 2022	110,803	10,992	18,377	1,062	562	4,223	146,019
Additions (including adjustments arising as a result of a change in estimates)	88	6	(48)	-	-	-	46
Capitalised expenditure	-	-	-	192	-	-	192
Exchange differences	347	21	-	-	-	61	429
Cost as at 31 March 2022	111,238	11,019	18,329	1,254	562	4,284	146,686
Accumulated amortisation and impairment 1 January 2022	(40)	(6,224)	(10,883)	(389)	(522)	(344)	(18,402)
Amortisation charge	-	(598)	(1,162)	(53)	(20)	-	(1,833)
Exchange differences	-	(1)	-	-	-	-	(1)
Amortisation and impairment as at 31 March 2022	(40)	(6,823)	(12,045)	(442)	(542)	(344)	(20,236)
Carrying amount as at 31 March 2022	111,198	4,196	6,284	812	20	3,940	126,450
Carrying amount as at 31 March 2021	70,947	3,014	8,312	832	99	286	83,490

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

6 BORROWINGS

In July 2021, Raketech entered into an agreement with Avida Finans AB for a one-year revolving credit facility of EUR 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 EUR 15.0 million (EUR 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.

7 AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations resulting from acquisitions of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments of performance-based amounts. The latter are further referred to as contingent consideration. This contingent consideration is measured at fair value and is included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently, at each reporting date, by calculating the expected cash outflow on each purchase agreement.

EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Opening balance	32,924	14,592	14,592
Acquisitions during the period/year	-	-	14,195
Settlements/setoffs	(5,485)	(2,668)	(7,237)
Notional interest charge	408	231	1,055
Adjustments arising as a result of a change in estimates and foreign currency translations	186	4,037	10,319
Closing balance	28,033	16,192	32,924

The earn-out condition related to Infinileads S.L. is capped up to a maximum of EUR 4 million up until 31 July 2023. Management's best estimate of the total contingent consideration for these assets amounted to EUR 1.7 million as of 31 March 2022.

The earn-out related to A.T.S. Consultants Inc's assets, which is denominated in USD, is capped up to a maximum of EUR 13.2 million up until 31 December 2024. Management's best estimate of the total contingent consideration for these assets amounted to EUR 7.9 million as of 31 March 2022. Included in the additional amounts committed on acquisition, is a deferred consideration of EUR 0.9 million payable by June 2022 and a pending issuance of shares valued at EUR 2.2 million.

The earn-out condition related to Lead Republik Ltd is uncapped and based on its performance up until 28 February 2022. The total contingent consideration for these assets amounted to EUR 0.1 million (EUR 0.5 million) and is payable in the second quarter of 2022.

The earn-out condition relating to Casumba is uncapped, based on future performance up until 31 July 2024. Management's best estimate of the total contingent consideration for these assets amounted to EUR 10.1 million (EUR 8.6 million) net of payments amounting to EUR 2.0 million (EUR 1.3 million) as of 31 March 2022.

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 EUR 5.1 million (EUR 7.0 million) net of payments amounting to EUR 1.2 million (EUR 1.3 million) as of 31 March 2022.

Other than the increase in the contingent consideration for Lead Republik amounting to EUR 0.1 million which was recognised in the condensed consolidated interim 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 condensed consolidated interim statement of financial position according to management's best estimate. Future revisions to the A.T.S. Consultants earn-out will also be reflected within the condensed consolidated interim statement of

comprehensive income as a result of this acquisition 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 and Infinileads.

The adjustment to reflect the total impact of discounting in the condensed consolidated interim statement of financial position, amounted to EUR 0.4 million (EUR 0.2 million) by the end of the period. Of the amounts recognised in the condensed consolidated interim statement of financial position at 31 March 2022, EUR 15.2 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 March 2022, amounts committed on acquisition amounted to EUR 28.0 million, of which EUR 0.9 million are fixed, EUR 2.2 million are pending a share issuance and the rest are contingent considerations.

8 RELATED PARTY TRANSACTIONS

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties.

The following transactions were carried out with related parties during the respective periods:

EUR thousands	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Revenue	225	337	1,213
Expenses			
Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors	459	675	2,254
Amounts owed to related parties (including accruals)	74	104	19
Amounts owed by related parties	66	103	104

Condensed Interim Statement of Comprehensive Income – Parent Company

EUR thousands	<i>Jan-Mar</i> 2022	<i>Jan-Mar</i> 2021	<i>Jan-Dec</i> 2021
Total Revenue	-	-	557
Employee benefit expense	(128)	(205)	(515)
Other operating expenses	(43)	(13)	(304)
Total operating expenses	(171)	(218)	(819)
Operating loss	(171)	(218)	(262)
Finance income	-	-	496
Finance costs	(252)	(76)	(436)
Loss for the period/year – total comprehensive expense	(423)	(294)	(202)

Condensed Interim Statement of Financial Position – Parent Company

EUR thousands	Note	Mar-2022	Mar-2021	Dec-2021
Assets				
Non – current assets				
Investment in subsidiaries		12,363	3,152	12,363
Trade and other receivables		37,707	37,699	37,977
Loan Receivable from a subsidiary		15,000	-	15,000
Total non-current assets		65,070	40,851	65,340
Current assets				
Trade and other receivables		1	-	215
Cash and cash equivalents		68	70	68
Total current assets		69	70	283
TOTAL ASSETS		65,139	40,921	65,623
Equity & Liabilities				
Equity				
Share capital		83	75	83
Share premium		48,595	41,603	48,595
Other reserves		(155)	(310)	(204)
Accumulated losses		(870)	(466)	(448)
Total Equity		47,653	40,902	48,026
Liabilities				
Non-current liabilities				
Deferred Tax Liability		-	-	86
Total non-current liabilities		-	-	86
Current liabilities				
Borrowings		14,834	-	14,741
Amounts committed on acquisition	7	2,210	-	2,210
Trade and other payables		442	19	346
Current tax liabilities		-	-	214
Total current liabilities		17,486	19	17,511
Total liabilities		17,486	19	17,597
TOTAL EQUITY AND LIABILITIES		65,139	40,921	65,623

Assurance

The Board of Directors and the CEO affirm that this report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Group.

Malta, 11 May 2022

OSKAR MÜHLBACH

CEO

ULRIK BENGSSON

Chairman of the Board

JOHAN SVENSSON

Board member

MAGNUS GOTTFÄS

Board member

FREDRIK SVEDERMAN

Board member

ERIK SKARP

Board member

ANNIKA BILLBERG

Board member

Presentation for investors, analysts and the media: CEO Oskar Mühlbach and CFO Måns Svalborn will present the report and answer questions at 09.00 a.m. CET on 11 May 2022.

The presentation will be held in English and can be followed online via: <https://tv.streamfabriken.com/raketech-q1-2022>

To participate in the call, please dial:

+46 850 558 352 (SE)

+44 333 300 9262 (UK)

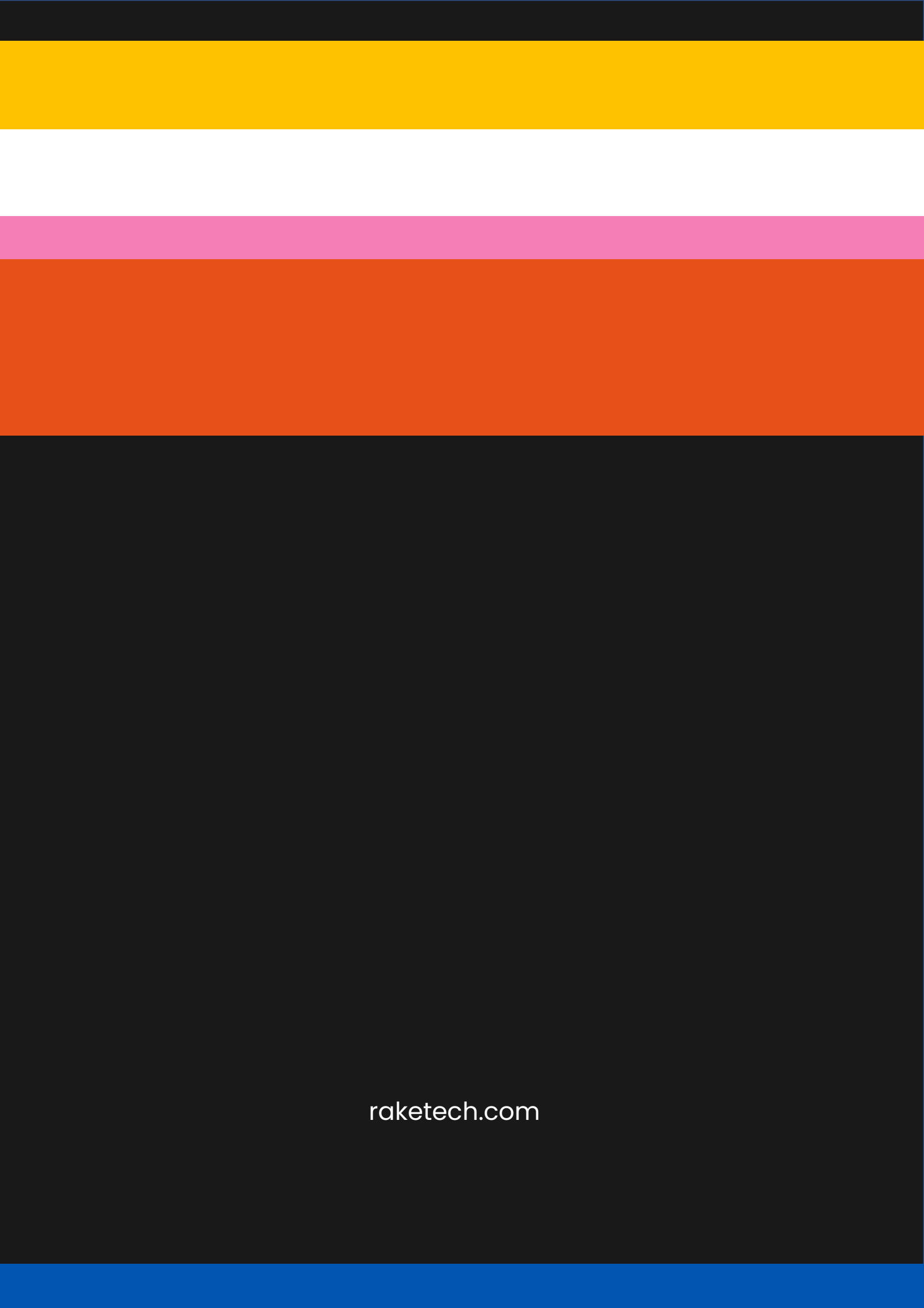
+1 646 722 4904 (US)

This information is such that Raketech Group Holding PLC is required to publish under the EU Market Abuse Regulation. The information was submitted under the auspices of the above contact person for publication at 8.00 a.m. CET on 11 May 2022.

Definitions of Alternative Performance Measures

Unless defined otherwise in this report, the terms below have the following definitions:

ADJUSTED EBITDA	EBITDA adjusted for non-recurring costs
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of total revenue for the period/year
ADJUSTED OPERATING MARGIN	Operating margin adjusted for non-recurring costs
ADJUSTED OPERATING PROFIT	Operating profit adjusted for non-recurring costs
EBITDA	Operating profit before depreciation, amortisation and impairment
EBITDA MARGIN	EBITDA as a percentage of revenue for the period/year
LTM	Last twelve months
NDC (NEW DEPOSITING CUSTOMER)	A new customer placing a first deposit on a partners' website
NET DEBT-TO-ADJUSTED EBITDA	Net interest-bearing debt at the end of the period/year in relation to adjusted LTM EBITDA
NET INTEREST-BEARING DEBT	Interest-bearing debt at the end of the period/year, excluding earn-outs from acquisitions, minus cash and cash equivalents at the end of the period/year
OPERATING MARGIN	Operating profit as a percentage of revenue for the period/year
OPERATING PROFIT	Profit before financial items and taxes
ORGANIC GROWTH	Revenue growth rate adjusted for acquired portfolios and products. Organic growth includes the growth in existing products and the revenue growth related to acquired portfolios and products post acquisition
REVENUE GROWTH	Increase in revenue compared to the previous accounting period/year as a percentage of revenue in the previous accounting period/year
TRAFFIC	Relates to the number of visitors/users of Raketech's assets



raketech.com