

RAKETECH

Q2| Interim Report

2022

Solid performance from the core portfolio of affiliation marketing and Affiliation Cloud launched

EUR thousands	Apr-Jun 2022	Apr-Jun 2021	Change	Jan-Jun 2022	Jan-Jun 2021	Change
Revenue	11,289	8,776	28.6%	23,983	17,055	40.6%
Reported EBITDA	3,792	3,393	11.8%	8,876	6,598	34.5%
Adjusted EBITDA	3,956	3,393	16.6%	9,040	6,598	37.0%
Reported Operating profit	1,966	1,600	22.9%	5,174	3,161	63.7%
Adjusted Operating profit	2,130	1,600	33.1%	5,338	3,161	68.9%
Earnings per share after dilution (EUR) (IFRS)	0.03	0.03	0.0%	0.08	0.06	33.3%

Q2 2022 FINANCIAL HIGHLIGHTS

- The core portfolio of affiliation marketing assets delivered solid results, despite challenging market conditions. Revenues totalled EUR 11.3 million (EUR 8.8 million).
- Organic growth amounted to -4.0% (25.7%), an effect of changed regulations on the Finnish market as well as Network sales no longer being offered on the German and Dutch markets due to re-regulations.
- US revenues amounted to EUR 1.3 million (EUR 0.3 million), as US sports entered its low season of the year.
- Sports revenues totalled EUR 3.5 million (EUR 1.3 million), corresponding to 31.0% (15.2%) of total revenues.
- Revenues from the recently launched Affiliation Cloud amounted to EUR 0.2 million (EUR 0 million).
- Adjusted EBITDA amounted to EUR 4.0 million (EUR 3.4 million), corresponding to a margin of 35.0% (38.7%). Expected seasonality effects from primarily the US market affecting the margin.

Q2 2022 OPERATIONAL HIGHLIGHTS

- Strong performance from most assets following the recent Google core update.
- Continuous investments in the US organisation and tech development such as the Affiliation Cloud to further consolidate the platform for growth.
- The company announced it has extended its revolving credit facility of EUR 15 million with Avida Finans AB up until September 2023. When utilized, the interest on the facility is EURIBOR plus 4.25% with an additional upfront extension fee. The credit facility includes an extension option and can thus be renewed annually subject to certain conditions.

SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

- Revenues in July 2022 amounted to EUR 3.9 million (EUR 2.9 million).

CEO Comment

Q2 of 2022 was yet another stable quarter for Raketech Group. Our core portfolio of affiliation marketing assets delivered results in line with Q1, despite challenging market conditions and low seasonality. Again, proving the strength of Raketech's well diversified asset portfolio, as well as our well balanced vertical and geographical split. Total revenues for the quarter amounted to EUR 11.3m, equivalent to a growth of 29%.

Year over year we declined organically with 4%, entirely relating to the Finnish market as expected, stabilizing on lower levels due to changes in legislation, and our Network no longer being offered on the German and Dutch markets due to re-regulations.

Considering these factors and that Q2 of last year included both a digitalization boost due to Covid and the UEFA EURO I am therefore very happy with our Q2 performance of this year. It gives me confidence to see that our assets are holding up strong despite such tough comparison numbers and a generally negative reported Q2 iGaming sentiment.

Furthermore, as Q2 is a seasonally weaker period for sports in the US, revenues from this market were as expected lower than those in Q1, representing 12% of the Group's total. At the same time, revenues from the Nordics were 47% of group total thanks to the strong performance from our core portfolio.

Adjusted EBITDA for the quarter came in at EUR 4m, representing a margin of 35% relating primarily to the low sports season in the US where our fixed cost base is stable, in combination with the continuously high investments pace with regards to product development, US organization and the Affiliation Cloud.

During the quarter Google rolled out one of their "core updates" that affected us in a positive direction, which is an additional testament that we are doing things right. Worth mentioning in this context is that several of our flagship assets on the, for us so important Swedish market, experienced increased organic visibility. And with regards to our latest product innovation, the Affiliation Cloud, we experienced more interest in the product than expected, which is exciting considering it is currently only in beta phase. We have therefore increased investments into this area to ensure we maximize our capacity to onboard new clients while

ensuring a great user experience for both affiliates and operators. Affiliation Cloud revenues for Q2 was approximately EUR 200k.

And with regards to other investments, one of the more interesting and exciting current projects is relating to our Flagship asset Casinofeber. As of February 2023, Casinofeber will be completely operated by the central Raketech team as it is handed over from the original team. I am very excited about this, not only from a product development perspective but also very much from a cash flow perspective as the full operating cash flow from this asset will be made available for Raketech in its whole once the final earn out is settled at the end Q1 2023.

As a final quarterly highlight, I am happy to be able to mention that we have extended our revolving credit facility of EUR 15 million for yet another year on attractive commercial conditions, with the possibility of further extension based on certain criteria. The credit facility ensures we can continue to invest into organic growth while also keeping the door open for additional M&A.

OUTLOOK

July revenues came in at EUR 3.9m, relating to continuous strong performance from core assets as well promising results from Affiliation Cloud.

The second half of the year is typically stronger than the first half. And with our core products portfolio performing well, the American football season coming to a start and the FIFA World Cup to look forward to in November and December, we reiterate our full-year aim of being within the interval of EUR 50–55m in revenues with an EBITDA margin within 40–44%. I am very happy to see that our diversification strategy and strong operational delivery focus is paying off. Raketech is in a position where we are, not immune perhaps, but very resilient against sudden changes in the world around us. And not only are we resilient but also well positioned for growth with regards to products, markets, and different revenue stream on the ever changing and growing global iGaming industry.

With that said I am very much looking forward to the last part of this year.

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 20 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	Apr- Jun 2022	Apr- Jun 2021	Change	Jan- Jun 2022	Jan- Jun 2021	Change	Jan- Dec 2021
Financial Data							
Revenue (IFRS)	11,289	8,776	28.6%	23,983	17,055	40.6%	38,512
<i>Organic growth</i>	(4.0%)	25.7%	(29.7)	1.1%	16.0%	(14.9)	17.5%
<i>Revenue share</i>	42.4%	40.5%	1.9	40.9%	40.5%	0.4	41.7%
<i>Upfront payment</i>	31.0%	43.3%	(12.3)	30.4%	43.0%	(12.6)	39.8%
<i>Flat fee</i>	17.3%	16.2%	1.1	15.6%	16.5%	(0.9)	16.5%
<i>Betting tips and subscription income</i>	9.3%	0.0%	9.3	13.1%	0.0%	13.1	2.0%
Affiliation marketing	8,082	6,428	25.7%	16,234	12,716	27.7%	28,877
<i>Affiliation marketing (% of total revenue)</i>	71.6%	73.2%	(1.7)	67.7%	74.6%	(6.9)	75.0%
Network	1,988	2,348	(15.3%)	4,443	4,339	2.4%	8,858
<i>Network (% of total revenue)</i>	17.6%	26.8%	(9.1)	18.5%	25.4%	(6.9)	23.0%
Betting tips and subscription income	1,050	-	100.0%	3,137	-	100.0%	777
<i>Betting tips and subscription income (% of total revenue)</i>	9.3%	0.0%	9.3	13.1%	0.0%	13.1	2.0%
Affiliation cloud	169	-	100.0%	169	-	100.0%	-
<i>Affiliation cloud (% of total revenue)</i>	1.5%	0.0%	1.5	0.7%	0.0%	0.7	0.0%
Casino	7,759	7,398	4.9%	16,077	14,241	12.9%	31,490
<i>Casino (% of total revenue)</i>	68.7%	84.3%	(15.6)	67.0%	83.5%	(16.5)	81.8%
Sport	3,503	1,334	162.6%	7,841	2,729	187.3%	6,891
<i>Sport (% of total revenue)</i>	31.0%	15.2%	15.8	32.7%	16.0%	16.7	17.9%
Other	27	44	(38.2%)	65	85	(23.6%)	131
<i>Other (% of total revenue)</i>	0.3%	0.5%	(0.2)	0.3%	0.5%	(0.2)	0.3%
Revenue from the Nordics	5,264	5,331	(1.3%)	10,645	10,706	(0.6%)	22,902
<i>Nordics (% of total revenue)</i>	46.6%	60.7%	(14.1)	44.4%	62.8%	(18.4)	59.5%
Revenue from Rest of Europe	682	1,132	(39.7%)	1,351	1,688	(20.0%)	3,241
<i>Rest of Europe (% of total revenue)</i>	6.0%	12.9%	(6.9)	5.6%	9.9%	(4.3)	8.4%
Revenue from US	1,348	296	355.9%	3,797	806	371.1%	2,111
<i>US (% of total revenue)</i>	12.0%	3.4%	8.6	15.8%	4.7%	11.1	5.5%
Revenue from Rest of World	3,995	2,017	98.0%	8,190	3,855	112.4%	10,258
<i>Rest of World (% of total revenue)</i>	35.4%	23.0%	12.4	34.1%	22.6%	11.5	26.6%
EBITDA	3,792	3,393	11.8%	8,876	6,598	34.5%	16,151
<i>EBITDA margin</i>	33.6%	38.7%	(5.1)	37.0%	38.7%	(1.7)	41.9%
Adjusted EBITDA¹	3,956	3,393	16.6%	9,040	6,598	37.0%	16,475
<i>Adjusted EBITDA margin¹</i>	35.0%	38.7%	(3.6)	37.7%	38.7%	(1.0)	42.8%
Operating profit	1,966	1,600	22.9%	5,174	3,161	63.7%	9,357
<i>Operating margin</i>	17.4%	18.2%	(0.8)	21.6%	18.5%	3.0	24.3%
Adjusted Operating profit¹	2,130	1,600	33.1%	5,338	3,161	68.9%	9,681
<i>Adjusted Operating margin¹</i>	18.9%	18.2%	0.6	22.3%	18.5%	3.7	25.1%

¹Non-recurring costs amounting to EUR 0.3 million recognised in Q3 2021 relate to costs incurred in connection with the completed acquisitions. In Q2 2022, redundancy costs of EUR 0.2 million incurred due to the organisational restructuring, were recognised as non-recurring costs.

Consolidated Key Data and Ratios, continued

EUR thousands	Apr-Jun 2022	Apr-Jun 2021	Change	Jan-Jun 2022	Jan-Jun 2021	Change	Jan-Dec 2021
Other Performance Measures							
New depositing customers (NDC)	33,776	34,839	(3.1%)	69,299	74,713	(7.2%)	158,403
Full time employees	113	72	56.9%	113	72	56.9%	93
Contractors	124	69	79.7%	124	69	79.7%	104
Net interest-bearing debt	11,663	(5,467)	(313.3%)	11,663	(5,467)	(313.3%)	11,536
Net debt-to-adjusted EBITDA LTM	0.62	(0.41)	(248.6%)	0.62	(0.41)	(248.6%)	0.70
Earnings per share before dilution (EUR) (IFRS)	0.03	0.03	0.0%	0.08	0.06	33.3%	0.18
Earnings per share after dilution (EUR) (IFRS)	0.03	0.03	0.0%	0.08	0.06	33.3%	0.18
Weighted average number of shares, before dilution	41,295,601	37,413,633	10.4%	41,295,601	37,413,633	10.4%	38,732,439
Weighted average number of shares, after dilution	42,655,472	38,228,273	11.6%	42,658,313	38,552,382	10.7%	40,024,377

Financial Performance during the Second Quarter of 2022

REVENUES

Revenues totalled EUR 11.3 million (EUR 8.8 million) representing an increase of 28.6%. The increase was driven by recent acquisitions focusing on sports as well as European casino assets. Organic revenues declined -4% (25.7%) with somewhat lower revenues in Network Sales as well as Affiliation marketing in Finland. This was to some extent offset by growth in Sweden, Norway, Rest of World and added revenues through Affiliation Cloud. NDCs decreased by 3.1%, as an effect of somewhat lower activity within Network Sales.

EXPENSES

Direct expenses increased to EUR 3.3 million (EUR 3.1 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 2.2 million, adjusted for non-recurring costs of EUR 0.2 million, Employee benefit expenses amounted to EUR 2.0 million (EUR 1.1 million). The increase relates primarily to added personnel through recent acquisitions. Full-time employees totalled 113 (72) and contractors totalled 124 (69) at the end of the period.

Other expenses increased to EUR 2.0 million (EUR 1.1 million), representing primarily added costs through recent acquisitions.

Depreciation and amortisation amounted to EUR 1.8 million (EUR 1.8 million). The marginal increase in 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 3.8 million, adjusted for non-recurring costs of EUR 0.2 million, EBITDA amounted to EUR 4.0 million (EUR 3.4 million) with higher revenues through recent acquisitions.

The EBITDA margin amounted to 33.6% (38.7%), adjusted for non-recurring costs of EUR 0.2 million, the EBITDA margin was 35.0%. The somewhat lower margin highlights our strategic progress with new product categories, geographical expansion and new acquisitions.

The profit for the period amounted to EUR 1.2 million, (EUR 1.2 million), in line with last year affected by higher finance costs (i.e. loan interest and finance costs on earnouts).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities increased to EUR 3.7 million (EUR 3.1 million), driven by improved profitability.

Cash flow from investing activities amounted to EUR -3.1 million (EUR -1.6 million) due to earn-out settlements made during the quarter.

Cash flow from financing activities amounted to EUR -0.2 million (EUR -0.03 million), as a result of loan interest and lease payments.

Cash and cash equivalents at the end of the quarter amounted to EUR 3.3 million (EUR 5.5 million).

THE PARENT COMPANY

Raketech Group Holding PLC is the Parent Company. Total operating costs amounted to EUR 0.2 million (EUR 0.1 million). Loss for the period was EUR 0.4 million (EUR 0.2 million).

Financial Performance during the first half of 2022

REVENUES

Revenues totalled EUR 24.0 million (EUR 17.1 million) representing an increase of 40.6%. The increase was driven by organic growth of 1.1% (16.0%) within Network sales as well as continued strong growth in Sweden and Rest of the world. Furthermore, revenues continued to grow from recent acquisitions with positive development within sports as well as European casino assets. NDCs decreased by 7.2%, as an effect of lower activity within Network Sales during the second quarter and Raketech generally actively targeting fewer but higher value leads.

EXPENSES

Direct expenses increased to EUR 6.9 million (EUR 6.0 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 4.3 million, adjusted for non-recurring costs of EUR 0.2 million, Employee benefit expenses amounted to EUR 4.1 million (EUR 2.3 million). The increase relates primarily to added personnel through recent acquisitions. Full-time employees totalled 113 (72) and contractors totalled 124 (69) at the end of the period.

Other expenses increased to EUR 3.9 million (EUR 2.2 million), representing primarily added costs through recent acquisitions.

Depreciation and amortisation amounted to EUR 3.7 million (EUR 3.4 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 8.9 million, adjusted for non-recurring costs, EBITDA amounted to EUR 9.0 million (EUR 6.6 million) with higher revenues through organic growth and, as added revenues through recent acquisitions.

The EBITDA margin amounted to 37.0%, adjusted for non-recurring costs, the EBITDA margin was 37.7% (38.7%). The slightly lower margin highlights our strategic progress with new product categories, geographical expansion and new acquisitions.

The profit for the period amounted to EUR 3.5 million, (EUR 2.4 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 9.2 million (EUR 6.8 million), driven by improved profitability.

Cash flow from investing activities amounted to EUR -8.8 million (EUR -4.3 million) due to earn-out settlements made during the period.

Cash flow from financing activities amounted to EUR -0.4 million (EUR -2.1 million), as a result of loan interest and lease payments.

Cash and cash equivalents at the end of the quarter amounted to EUR 3.3 million (EUR 5.5 million).

THE PARENT COMPANY

Raketech Group Holding PLC is the Parent Company. Total operating costs amounted to EUR 0.3 million (EUR 0.4 million). Loss for the period was EUR 0.8 million (EUR 0.5 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' in the Annual Report 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

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 Income Statement

EUR thousands	Notes	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Total revenue	3	11,289	8,776	23,983	17,055	38,512
Direct costs relating to fixed fees and commission revenue		(3,256)	(3,140)	(6,893)	(6,015)	(11,478)
Employee benefit expense		(2,243)	(1,131)	(4,340)	(2,284)	(4,828)
Depreciation, amortisation and impairment		(1,826)	(1,793)	(3,702)	(3,437)	(6,794)
Loss allowance on trade receivables		-	-	-	-	65
Bad debts written-off		(1)	(5)	(1)	(8)	(158)
Other operating expenses		(1,997)	(1,107)	(3,873)	(2,150)	(5,962)
Total operating expenses		(9,323)	(7,176)	(18,809)	(13,894)	(29,155)
Operating profit		1,966	1,600	5,174	3,161	9,357
Revaluation of financial liabilities at fair value through profit or loss		(12)	-	(12)	(61)	(115)
Finance costs		(625)	(295)	(1,290)	(602)	(1,601)
Profit before tax		1,329	1,305	3,872	2,498	7,641
Tax expense		(80)	(66)	(375)	(127)	(508)
Profit for the period/ year		1,249	1,239	3,497	2,371	7,133
Total profit attributable to:						
Equity holders of the Parent Company		1,249	1,240	3,497	2,373	7,133
Non-controlling interest		-	(1)	-	(2)	-
Earnings per share attributable to the equity holders of the Parent during the period/year						
Earnings per share before dilution (in EUR)		0.03	0.03	0.08	0.06	0.18
Earnings per share after dilution (in EUR)		0.03	0.03	0.08	0.06	0.18

Statement of Comprehensive Income

EUR thousands	Notes	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Profit for the period/ year		1,249	1,239	3,497	2,371	7,133
Other comprehensive income						
Currency translation adjustments taken to equity		947	-	1,226	-	(27)
Total other comprehensive loss for the period/year		947	-	1,226	-	(27)
Total comprehensive income for the period/year		2,196	1,239	4,723	2,371	7,106
Total comprehensive income attributable to:						
Equity holders of the Parent Company		2,196	1,240	4,723	2,373	7,106
Non-controlling interest		-	(1)	-	(2)	-

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

EUR thousands	Notes	Jun-2022	Jun-2021	Dec-2021
Assets				
Non-current assets				
Goodwill	5	4,150	286	3,879
Intangible assets	5	122,241	82,440	123,736
Right-of-use assets	4	298	-	324
Property, plant and equipment		142	30	108
Total non-current assets		126,831	82,756	128,047
Current assets				
Trade and other receivables		6,249	4,647	6,246
Cash and cash equivalents		3,264	5,467	3,205
Total current assets		9,513	10,114	9,451
TOTAL ASSETS		136,344	92,870	137,498
Equity & Liabilities				
Equity				
Share capital		83	75	83
Share premium		46,379	39,387	46,379
Other reserves		819	657	734
Currency translation reserve		1,199	-	(27)
Retained earnings		41,393	33,135	37,896
Equity attributable to owners of the Company		89,873	73,254	85,065
Non-controlling interests		1	1	1
TOTAL EQUITY		89,874	73,255	85,066
Liabilities				
Non-current liabilities				
Borrowings	6	14,927	-	-
Deferred tax liability		2,029	1,678	1,901
Amounts committed on acquisition	7	13,295	9,706	18,257
Lease Liability	4	163	-	208
Total non-current liabilities		30,414	11,384	20,366
Current liabilities				
Borrowings	6	-	-	14,741
Amounts committed on acquisition	7	12,932	6,180	14,667
Trade and other payables		2,983	2,051	2,533
Lease Liability	4	141	-	125
Total current liabilities		16,056	8,231	32,066
TOTAL LIABILITIES		46,470	19,615	52,432
TOTAL EQUITY AND LIABILITIES		136,344	92,870	137,498

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated financial statements on pages 8 to 16 were approved for publication by the Board of Directors on 17 August 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	Currency Translation Reserve	Retained Earnings	Total Equity attributable to Owners of the Company	NCI	Total Equity
Balance at 1 January 2022	83	46,379	734	(27)	37,896	85,065	1	85,066
Comprehensive income								
Profit for the period	-	-	-	-	3,497	3,497	-	3,497
Other comprehensive income								
Currency translation adjustments taken to equity	-	-	-	1,226	-	1,226	-	1,226
	-	-	-	1,226	3,497	4,723	-	4,723
Transactions with owners								
Equity-settled share-based payments	-	-	85	-	-	85	-	85
Total transactions with owners	-	-	85	-	-	85	-	85
Balance at 30 June 2022	83	46,379	819	1,199	41,393	89,873	1	89,874
Balance at 1 January 2021	75	39,387	599	-	30,765	70,826	1	70,827
Comprehensive income								
Profit for the period	-	-	-	-	2,373	2,373	(2)	2,371
Other comprehensive income								
Currency translation	-	-	-	-	(1)	(1)	-	(1)
	-	-	-	-	2,372	2,372	(2)	2,370
Transactions with owners								
Equity-settled share-based payments	-	-	58	-	-	58	-	58
Other transactions with NCI	-	-	-	-	(2)	(2)	2	-
Total transactions with owners	-	-	58	-	(2)	56	2	58
Balance at 30 June 2021	75	39,387	657	-	33,135	73,254	1	73,255
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	734	(27)	37,896	85,065	1	85,066

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

EUR thousands	Notes	Apr-Jun 2022	Apr- Jun 2021	Jan- Jun 2022	Jan- Jun 2021	Jan- Dec 2021
Cash flows from operating activities						
Profit before tax		1,329	1,305	3,872	2,498	7,641
Adjustments for:						
Depreciation, amortisation and impairment		1,826	1,793	3,702	3,437	6,794
Loss allowance		-	-	-	-	(65)
Bad debts written-off		1	5	1	8	158
Net finance cost		625	295	1,290	602	1,601
Equity-settled share-based payment transactions		36	29	85	58	135
Revaluation of financial liabilities at fair value through profit or loss	7	12	-	12	61	115
Profit on disposal of property, plant and equipment		-	-	-	-	(1)
Unrealised exchange differences		(1)	(2)	4	(1)	-
		3,828	3,425	8,966	6,663	16,378
Net income taxes paid		(5)	(1)	(5)	(1)	(34)
Changes in:						
Trade and other receivables		281	332	22	521	(1,424)
Trade and other payables		(380)	(700)	180	(349)	(291)
Net cash generated from operating activities		3,724	3,056	9,163	6,834	14,629
Cash flows from investing activities						
Acquisition of property, plant and equipment		(20)	(5)	(60)	(11)	(46)
Acquisition of intangible assets		(2,783)	(1,574)	(8,290)	(4,242)	(14,554)
Payments of software development costs	5	(254)	-	(446)	-	-
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		(3,057)	(1,579)	(8,796)	(4,253)	(28,649)
Cash flows from financing activities						
Repayments of borrowings		-	-	-	(2,000)	(2,133)
Proceeds from drawdowns on borrowing		-	-	-	-	14,625
Lease payments	4	(33)	-	(65)	-	(19)
Interest paid		(162)	(34)	(332)	(80)	(214)
Net cash generated (used in)/from financing activities		(195)	(34)	(397)	(2,080)	12,259
Net movements in cash and cash equivalents		472	1,443	(30)	501	(1,761)
Cash and cash equivalents at the beginning of the period/year		2,703	4,024	3,205	4,966	4,966
Effects of exchange rate changes on cash and cash equivalents		89	-	89	-	-
Cash and cash equivalents at the end of the period/year		3,264	5,467	3,264	5,467	3,205

The notes on pages 12 to 16 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 consolidated 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 30 June 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 positive operating cash inflow. As at 30 June 2022, the Group is in a net current liability position of EUR 6.5 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. During June 2022, discussion with Avida Finance AB were concluded and the Group's revolving credit facility of EUR 15 million (Note 6) was extended up until September 2023. 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	Apr-Jun 2022	Apr-Jun 2021	Change	Jan-Jun 2022	Jan-Jun 2021	Change	Jan-Dec 2021
Revenue	11,289	8,776	28.6%	23,983	17,055	40.6%	38,512
Commissions ¹	8,289	7,272	14.0%	17,099	14,182	20.6%	31,332
Flat fees	1,950	1,504	29.7%	3,747	2,873	30.4%	6,403
Betting tips and subscription income	1,050	-	100.0%	3,137	-	100.0%	777

¹ The total amount of commissions includes revenue from Rapidj, 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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Leasing liability					
Opening balance	312	-	333	-	-
Discounted using the Group's incremental borrowing rate at 9 November 2021	-	-	-	-	341
Notional interest charge	5	-	10	-	3
Payments ¹	(33)	-	(65)	-	(19)
Changes in the value of the lease liability due to changes in foreign exchange rates	20	-	26	-	8
Leasing liability as at the end of the period/year²	304	-	304	-	333

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

² Of the total leasing liability of EUR 304 thousand, EUR 163 thousand is long term and EUR 141 thousand is short term lease liabilities.

EUR thousands	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Right-of-use asset					
Opening balance	309	-	324	-	-
Right-of-use asset at 9 November 2021	-	-	-	-	341
Amortisation charge	(30)	-	(60)	-	(17)
Changes in the value of the lease liability due to changes in foreign exchange rates	19	-	34	-	-
Right-of-use asset as at at the end of the period/year	298	-	298	-	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)	111	35	(109)	-	-	-	37
Capitalised expenditure	-	-	-	446	-	-	446
Exchange differences	1,549	95	-	-	-	271	1,915
Cost as at 30 June 2022	112,463	11,122	18,268	1,508	562	4,494	148,417
Accumulated amortisation and impairment 1 January 2022	(40)	(6,224)	(10,883)	(389)	(522)	(344)	(18,402)
Amortisation charge	-	(1,194)	(2,258)	(123)	(40)	-	(3,615)
Exchange differences	-	(9)	-	-	-	-	(9)
Amortisation and impairment as at 30 June 2022	(40)	(7,427)	(13,141)	(512)	(562)	(344)	(22,026)
Carrying amount as at 30 June 2022	112,423	3,695	5,127	996	-	4,150	126,391
Carrying amount as at 30 June 2021	71,424	2,697	7,460	779	80	286	82,726

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% (when utilized). The credit facility with Avida Finans AB replaced the previous facility with Swedbank. During June 2022, discussion with Avida Finance AB were concluded and the Group's revolving credit facility of EUR 15 million was extended up until September 2023.

As of 30 June 2022, 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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Opening balance	28,033	16,192	32,924	14,592	14,592
Acquisitions during the period/year	-	-	-	-	14,195
Settlements/setoffs	(2,771)	(1,575)	(8,256)	(4,242)	(7,237)
Notional interest charge	366	246	774	477	1,055
Adjustments arising as a result of a change in estimates and foreign currency translations	599	1,023	785	5,059	10,319
Closing balance	26,227	15,886	26,227	15,886	32,924

The earn-out condition related to Infinileads S.L. is capped up to a maximum of EUR 4.0 million up until 31 July 2023. Management's best estimate of the total contingent consideration for these assets amounted to EUR 1.9 million as of 30 June 2022. The deferred consideration for Infinileads S.L. amounting to EUR 2.2 million (EUR 0.0 million) was settled during the first quarter of 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 8.5 million as of 30 June 2022. Included in the additional amounts committed on acquisition is the pending issuance of shares valued at EUR 2.2 million. During June 2022 the deferred consideration of EUR 1.0 million (EUR 0.0 million) was settled.

The earn-out for Lead Republik Ltd. amounting to EUR 0.1 million (EUR 0.4 million), was fully settled during 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 9.7 million (EUR 9.2 million) net of payments amounting to EUR 2.8 million (EUR 1.3 million) as of 30 June 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 3.8 million (EUR 6.6 million) net of payments amounting to EUR 2.1 million (EUR 2.5 million) as of 30 June 2022.

Other than the increase in the contingent consideration for Lead Republik amounting to EUR 0.01 million (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 the second quarter of 2022, 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 0.8 million (EUR 0.5 million) by the end of the period. Of the amounts recognised in the condensed consolidated interim statement of financial position at 30 June 2022, EUR 12.9 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 30 June 2022, amounts committed on acquisition amounted to EUR 26.2 million, of which 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	<i>Apr-Jun</i> 2022	<i>Apr-Jun</i> 2021	<i>Jan-Jun</i> 2022	<i>Jan-Jun</i> 2021	<i>Jan-Dec</i> 2021
Revenue	137	317	362	654	1,213
Expenses	348	563	807	1,238	2,254
Compensation (including salaries, consultancy fees and recharges by a related entity) including fees to executive management and directors					

Amounts owed to related parties (including accruals)	18	32	18	32	19
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Amounts owed by related parties	51	117	51	117	104
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Condensed Interim Statement of Comprehensive Income – Parent Company

EUR thousands	<i>Apr-Jun</i> 2022	<i>Apr-Jun</i> 2021	<i>Jan-Jun</i> 2022	<i>Jan-Jun</i> 2021	<i>Jan-Dec</i> 2021
Total Revenue	-	-	-	-	557
Employee benefit expense	(130)	(130)	(258)	(335)	(515)
Other operating expenses	(38)	(9)	(81)	(22)	(304)
Total operating expenses	(168)	(139)	(339)	(357)	(819)
Operating loss	(168)	(139)	(339)	(357)	(262)
Finance income	-	-	-	-	496
Finance costs	(255)	(49)	(507)	(125)	(436)
Loss for the period/year - total comprehensive expense	(423)	(188)	(846)	(482)	(202)

Condensed Interim Statement of Financial Position – Parent Company

EUR thousands	Note	Jun-2022	Jun-2021	Dec-2021
Assets				
Non - current assets				
Investment in subsidiaries		12,363	3,152	12,363
Trade and other receivables		37,172	37,554	37,977
Loan Receivable from a subsidiary		15,000	-	15,000
Total non-current assets		64,535	40,706	65,340
Current assets				
Trade and other receivables		-	-	215
Cash and cash equivalents		66	70	68
Total current assets		66	70	283
TOTAL ASSETS		64,601	40,776	65,623
Equity & Liabilities				
Equity				
Share capital		83	75	83
Share premium		48,595	41,603	48,595
Other reserves		(119)	(281)	(204)
Accumulated losses		(1,293)	(655)	(448)
Total Equity		47,266	40,742	48,026
Liabilities				
Non-current liabilities				
Borrowings	6	14,927	-	-
Deferred Tax Liability		-	-	86
Total non-current liabilities		14,927	-	86
Current liabilities				
Borrowings	6	-	-	14,741
Amounts committed on acquisition	7	2,210	-	2,210
Trade and other payables		198	34	346
Current tax liabilities		-	-	214
Total current liabilities		2,408	34	17,511
Total liabilities		17,335	34	17,597
TOTAL EQUITY AND LIABILITIES		64,601	40,776	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, 17 August 2022

OSKAR MÜHLBACH

CEO

ULRIK BENGTTSSON

Chairman of the Board

JOHAN SVENSSON

Board member

MAGNUS GOTTÅS

Board member

CLARE BOYNTON

Board member

ERIK SKARP

Board member

PIERRE CADENA

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 17 August 2022.

The presentation will be held in English and can be followed online via: <https://tv.streamfabriken.com/raketech-q2-2022>

To participate in the call, please dial:

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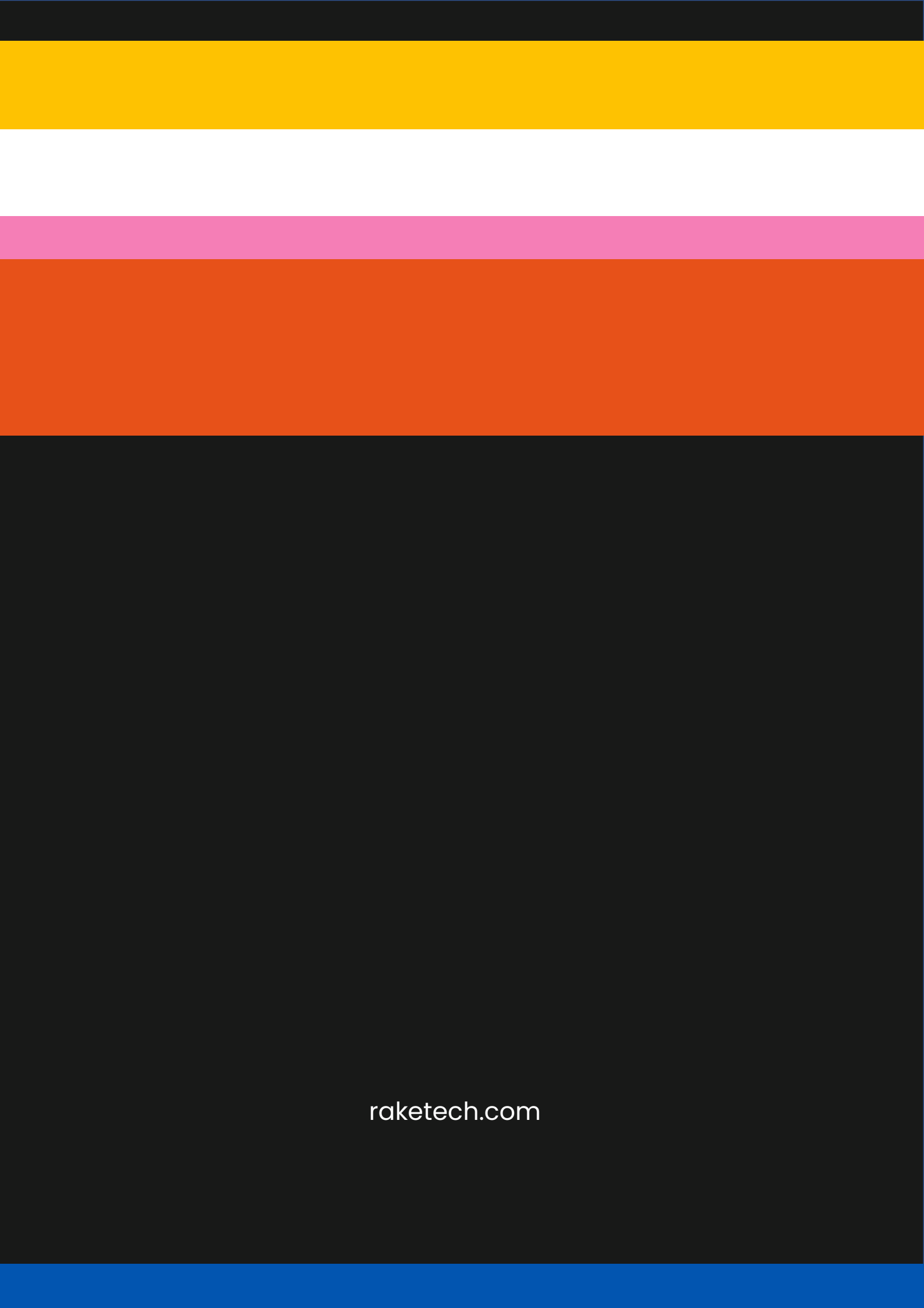
+1 646 722 4903 (US)

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 17 August 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 excluding portfolios and products that have been acquired in the past 12 months. Organic growth includes the growth in existing portfolios and products.
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



raketechnology.com

