

2018 | ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS



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2018 IN BRIEF

2018 was an eventful year for Raketech Group Holding PLC (“Company”, “Raketech” or “Group”) and a milestone in our history. On June 29 trading of the Raketech share was initiated on Nasdaq First North Premier. In addition, we launched several new products during the year and improved several important partnerships to ensure a strong long-term development for the group. Here are some further examples of what made 2018 a successful and exciting year.

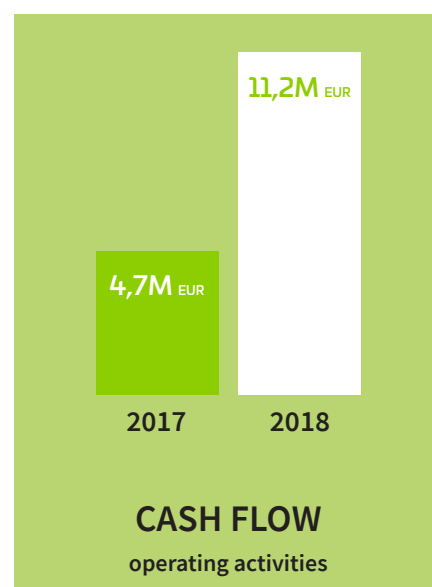
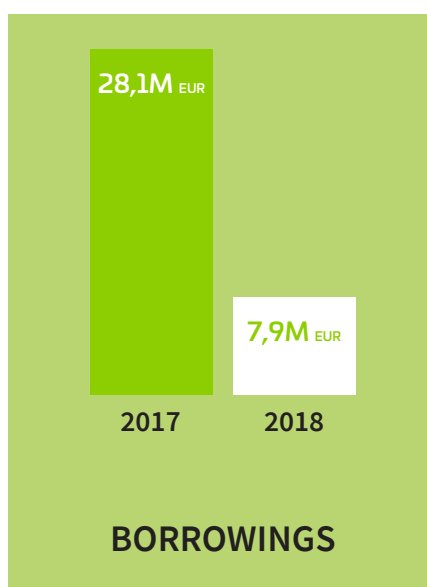
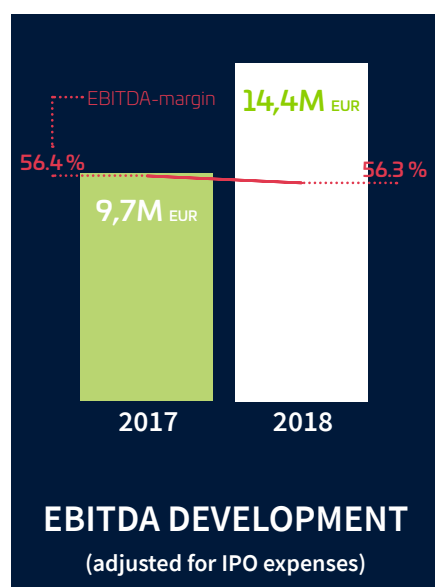
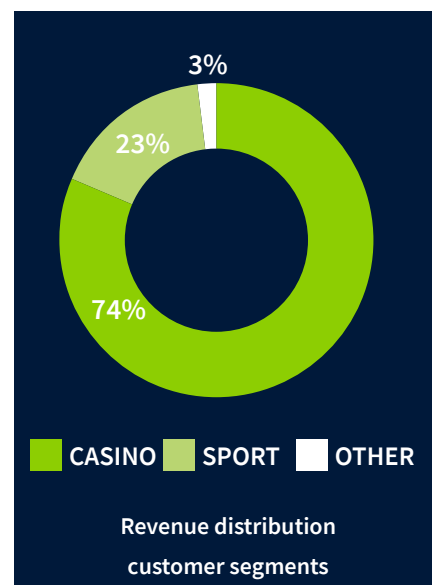
49% REVENUE GROWTH

30% ORGANIC GROWTH

99,599 NDCs (NEW DEPOSITING CUSTOMERS)

49% EBITDA GROWTH
(adjusted for IPO expenses)

48% GROWTH IN NDCs



In April we announced the launch of TVsportguide.com, to ensure UK sports fans never miss a match. The TV listings platform and mobile app deliver real-time TV listings for the most popular sports in the UK.

In May we continued our growth journey by acquiring several Swedish casino assets, including leading casino affiliate Casinofeber.se. This site has developed extensive expertise in search services for gaming fans and strengthens Rakotech's search offering in Sweden.

In June we acquired a majority stake in Shogun Media Limited, an affiliate media company with expertise in Pay Per Click (PPC) and Search Engine Optimisation (SEO). Through Shogun Media, Rakotech gains extensive experience and know-how in paid traffic which was an important step in our preparation for the Swedish regulation which came into effect on 1 January 2019.

In June we launched TVsportguide.de in Germany, marking the fifth region where the company offers its popular TV sports guides. TVsportguide.de delivers a comprehensive guide to the most popular televised sports, enhanced

with dedicated sections for the biggest tournaments and added features such as lineups, statistics, results and league tables.

In September we entered into a new partnership with the Swedish Gambling Association (SPER, Spelbranschens Riksorganisation), which is dedicated to protecting consumers and stakeholders in a regulated Swedish gambling market. The aim of the partnership is for Rakotech to help support the SPER work to protect the long-term health of the Swedish gaming industry.

In October we announced the launch of a new sports betting community in the Finnish market, Urheiluveikkaus.com. This platform is dedicated to providing high-quality sports betting content and expert betting tips.

In November we announced the launch of Esportsguide.com, which provides a comprehensive guide to the leading Esports streams for the most popular tournaments from across the globe.

In November we also joined forces with Trustly, the pioneering payments company, to provide a new way for users to experience gaming services with its In-Banner Pay N Play feature. The partnership allows Rakotech to offer its customers an efficient marketing channel going forward.

In December we acquired a number of Norwegian affiliate assets within consumer finance, including the flagship product Norskkreditt.no. Through the acquisition, Rakotech strengthens its position within the finance vertical.

In December we entered into a new financing agreement with Swedbank to strengthen and optimize our capital structure. The agreement concerns a revolving credit facility of € 10 million, which enables Rakotech to continue consolidating the affiliate market through strategic acquisitions.



We provide a service to meet the online player's individual preferences and requirements"

RAKETECH AT A GLANCE

Raketech is a leading online affiliate and content marketing company that primarily operates within the iGaming and sports betting industry.

The company was founded in 2010. Today we are more than 90 employees mainly located in Malta. We offer high quality content and relevant guidance to online players throughout our product portfolio.

Raketech primarily guides sports and gaming enthusiasts in the Nordics, UK and Germany.

Since June 2018, the Raketech share is traded on the Nasdaq First North Premier stock exchange.

Raketech's operations rest on three pillars – Core, Lab and M&A. These operational areas allow Raketech to choose the optimal path for growth. In Core, our existing products are further developed. In Lab we develop new products or partnerships that further strengthen our offering. And through acquisitions (M&A) we are able to complement existing

offering or enter new markets, and thus build our company for the future. In the long term, assets and products from Lab and M&A are integrated into Core.

Raketech's role is to link iGaming operators with iGaming players by providing fact-based and relevant content that supports players to make correct and informed decisions. We do this through 20 flagship brands such as casinoguide.se, betXpert.com and TVmatchen.nu.

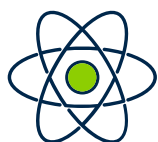
Raketech reaches out to players via four different product categories: Comparison products, Communities, Guides and Social Media Platforms, all of which enable players to access and exchange valuable information about sports, casino and other games.

At Raketech we put high emphasis

on developing and securing long-term partnerships. Through our partnership structure we are able to tie successful and driven entrepreneurs with specific know-how in certain areas to our company. We provide a well established network with experts, sales capacity and other resources.

We have a proven track record of more than 20 successful acquisitions such as casinoguide.se, TVmatchen.nu and casinofeber.se.

One important tool for securing future growth is to continuously identify and evaluate suitable acquisition targets that complement our existing business.



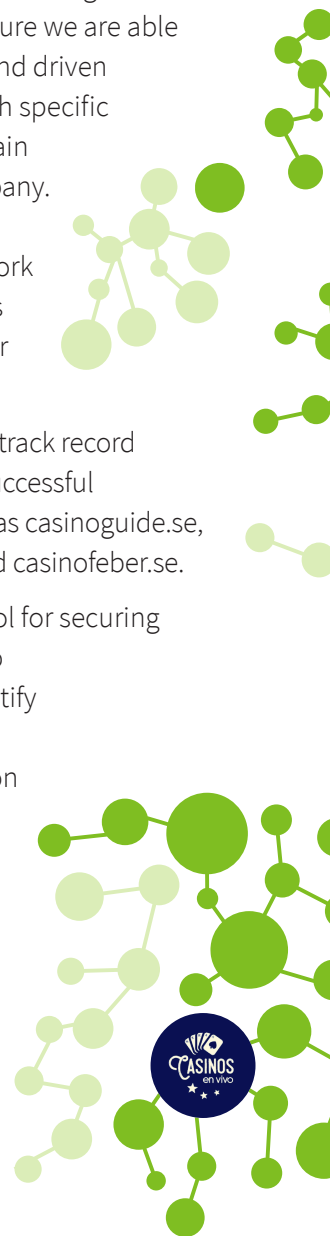
CORE

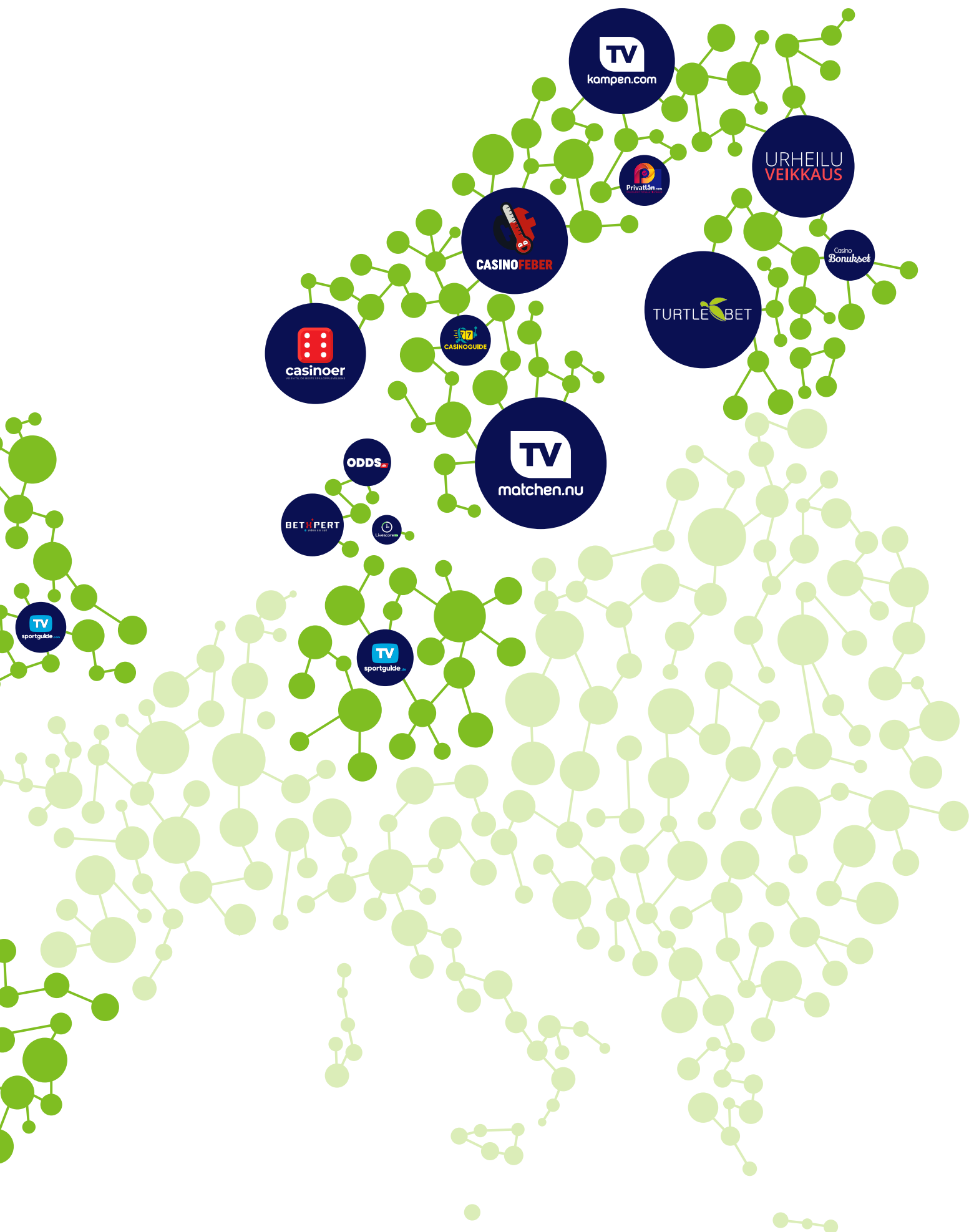


LAB



M&A





CEO FOREWORD

A historic year for Raketech

2018 was a highly successful year for Raketech, with strong financial development and many strategic achievements.

With our IPO on Nasdaq First North Premier in June, we entered a new chapter in the Group's history. It marked a true milestone following many years of hard work to grow the business – where we have evolved from being a small poker affiliate start-up into one of the biggest and most well-respected affiliate marketing groups in Europe. Being a listed Group has opened new opportunities for future expansion – strengthening our brand and perception in the market, helping support both our M&A strategy as well as our efforts within Core and Lab. Listing the Group was also logical from the perspective of responsibility and sustainability, and provides us with the right platform on which to progress actively on our charted course.

Driving the affiliate business through responsibility in a sustainable way

Responsible gaming could be the single most important area in the iGaming business and as a well-established affiliate group, we want to lead by example.

In the past year, we took several important steps in further professionalizing our operations and to go above and beyond in terms of compliance. One highlight is our membership in Sper, a Swedish gambling association with the goal of protecting consumers and stakeholders in the regulated Swedish gambling market. We have joined a group of well-recognised and regulated companies as the first affiliate member, with a shared goal of protecting the long-term sustainability of a re-regulated Swedish gaming industry.

Throughout the year, we have

continued to enhance the way we promote our partners, always aiming to be more transparent and innovative in the way we publish bonus offers and campaigns. We have also enhanced our responsible gambling message and added more relevant advice across all our iGaming products. This to better educate our users on the new tools and operator initiatives available to help people play more responsibly.

Raketech has issued a responsibility statement on our website that sets out a clear framework for how we offer our services.

Focus on scalability and organic growth

Over the past couple of years, we have invested in building a scalable business model that generates organic growth over time. We have developed new technical platforms and data analysis tools, and we see it starting to pay off. With this

foundation, we are not only well-equipped to grow our existing products in Raketech Core (core operations maintained and further developed), but we are also in an excellent position to innovate and roll out new products from Raketech Lab (new innovative services built in-house or via partnerships).

Within Core in 2018 we carried out several re-launches of key brands, such as Casinoguide.se, Bettingsidor.org, Casinobonusar.nu and Casinoer.com, and we can clearly see how overall performance improved subsequently.

In Lab, among many exciting projects, we launched our flagship guide product for sports listings in the UK (TVsportguide.com) and Germany (TVsportguide.de). Altogether, we now offer sports guides in five markets. We have also launched Esportsguide.com, targeting the global e-sports market.

We are focusing on creating scalable products, utilizing our existing platforms and applying our expertise to develop new products and enter new markets. I am pleased with our product development during the year and confident that our team of driven entrepreneurs will continue delivering great product ideas and launching them with a short time-to-market. This mix of technology, scalability and innovation is what will continue to maintain Rakotech as a market leader also in the future.

Strategic acquisitions that strengthens our expertise

During the year we also continued to pursue our active M&A strategy, which is the third pillar in our growth model. Our aim is to have a complete product offering within comparison sites, guides, communities and Social Media in each market – and if we can not create the products through Lab, we believe the best way to achieve it is by acquisitions. In 2018, we acquired several Swedish casino assets as well as new assets within the finance vertical. In many cases we also strive to not only buy the actual products, but also to engage the highly-skilled entrepreneurs behind them to continue working with the products and providing Rakotech with additional expertise in key areas such as Search Engine Optimisation (SEO) and Pay Per Click (PPC).

Swedish regulation in place, focus on day to day business

During 2018, Rakotech and the rest of the industry put a lot of efforts into preparing for the new Swedish gaming regulation, which came into effect on 1 January 2019. Going into the year, we are confident that we have a solid compliance strategy in place and can now focus resources on driving traffic to our regulated partners in Sweden. We have strong relationships with the largest operators in the Swedish market, including the historically regulated companies. Our view is that regulation, when done right, has a positive impact on our industry, as it will lead to a long-term sustainable gaming market.

All set for our continued journey

I would like to thank all our users, customers, shareholders and of course our employees for a fantastic year. We are a market leader in the Nordic countries, with high ambitions for future geographical expansion. In 2019 and beyond, Rakotech will continue to drive the affiliate business forward, focusing on building responsible, top-quality products and consolidating the industry.

“I am happy to summarise a highly successful year for Rakotech, with strong financial development and many strategic achievements.”

Michael Holmberg
CEO

PURPOSE, MISSION AND VISION

Raketech was founded by Johan Svensson and Erik Skarp, two true entrepreneurs and passionate gaming enthusiasts, in 2010. Their aim was to help anyone interested in sports and gambling to find the information and services they were looking for themselves more easily. Guiding and inspiring people to informed decisions continues to be one of the keys to our very existence.

Our purpose: *Providing information for guidance*

In a world of information overload, it is not easy to find the best service to fit your needs. Raketech was founded to guide ourselves and our friends within the iGaming universe. Today we are an award-winning iGaming affiliate company with operations in several markets and a variety of segments, including some outside of the gaming industry. Our purpose, however, remains the same: To provide correct and trustworthy guidance.

Our mission: *To guide and inspire people to informed decisions*

We exist to serve our users with high-quality content. We provide value by guiding and inspiring them to best-in-class services, and always strive to improve their decision-making. By being responsible and relevant to our users, we become more relevant to our business partners.

Our vision: *To always be the first choice by driving the industry with users and partners at our core*

We are focused. We want to drive the affiliate industry by adding user value and relevance. We are hungry, and that's how we stay ahead. We work as a team and strive to shake up the affiliate sector. Our actions will drive the industry forward and position us as the first choice in the market.

 **We work to shape the future of affiliation."**



A STRATEGY FOR GROWTH

Raketech's long-term strategy to achieve our objectives and vision is supported by five well-developed strategic pillars.

Profitable growth

Raketech's strategy for continued profitable growth is based on a stable platform that enables scalability and a high degree of automation. This contributes to maintaining low cost levels. We intend to generate continued growth through optimisation of existing products as well as strategic acquisitions. Furthermore we aim to grow through the innovative power in our Lab. That is, development of new products that are expected to contribute to future growth.

In 2018, we acquired several new assets within our casino and finance verticals that will contribute to the growth of Raketech in the years to come. We also entered several new partnerships, for example, when

launching TVmatchen in the UK and Germany.

World class content


We offer lead generation and media products that deliver high-quality content. This includes comparison products for both online casino and best-in-class online sports betting platforms, as well as informative and interactive content through online communities and online guides. Furthermore, Raketech seeks to always deliver an attractive design that makes it easy for users to navigate and quickly find what they are looking for.

Examples of online communities are BetXpert.com and Betting.se, which both contribute high-quality content for sports enthusiasts.

Operational excellence

Raketech constantly develops its processes to ensure stability, robustness and security through standardisation and harmonisation. We continuously develop our internal processes to drive development towards a fully automated and data-driven organisation. Consequently, Raketech can utilize all the data generated by the business more efficiently, which is expected to lead to a higher degree of scalability and thus higher profitability in the long term.

In 2018, we have continued to develop our internal system, the HUB, which gathers information of all our assets. The HUB offers possibilities for scalability as we are able to manage larger amounts

A photograph of a person's hands working on a laptop and a spiral notebook on a wooden desk. The person is wearing a blue and white striped shirt. The laptop is open, and the spiral notebook is lying flat next to it. The background is slightly blurred, showing more of the desk and the person's hands.

of sites in terms of domain management, hosting, content development and more.

Entrepreneurship and commitment

Raketech's operational model is based on medium-sized teams of four to ten employees, with clear and well-defined mandates, ownership, responsibilities and goals. We find it important to preserve our entrepreneurial DNA through our Lab, but also by incorporating entrepreneurs and founders from our acquisitions. The Lab is the group's catalyst for both external and internal innovation, through which Raketech develops new products that can contribute to organic growth with primary focus on the long term.

Win-win partnerships

Raketech's well-established and long-term partnerships were built by utilizing a dynamic sales process over the years. Relationships with partners are supported by close and ongoing dialogue, giving Raketech insights into customer challenges and desires. This provides customers with benefits in the form of tailor-made and beneficial contracts, while giving Raketech the opportunity to gain added value.

Win-win partnership with the gaming operators, is a key explanation for the successful growth of the Group over the years. It has always been, and it will continue to be, our view that business relations shall be mutually beneficial for both parties in order to last - win-win partnership.

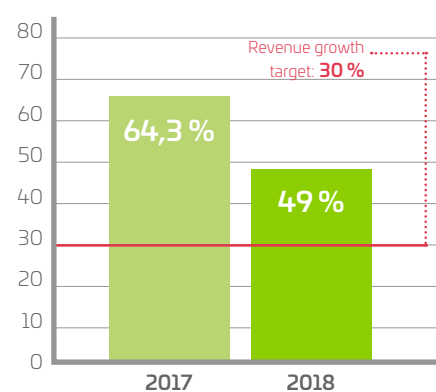
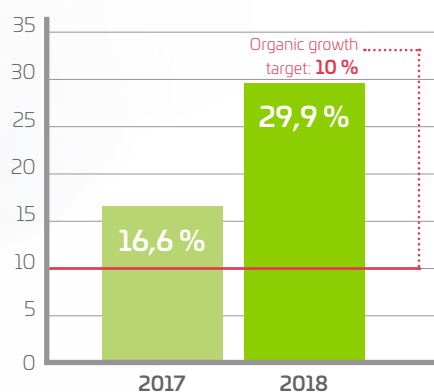


FINANCIAL TARGETS

To ensure that the Group delivers on our strategy, the Board of Directors has agreed on a set of financial targets. These targets are meant to serve as a guide in planning and budgeting processes as well as for external target groups to better understand where the Group is heading.

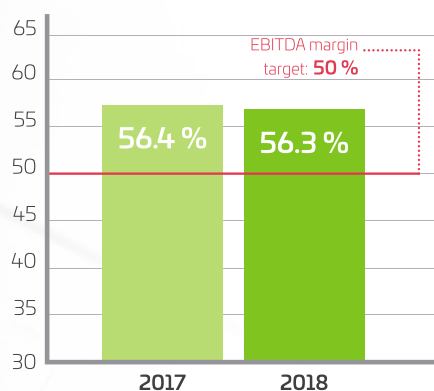
Growth

In the short to medium term, Raketeck targets an average annual total revenue growth in excess of 30 percent, including acquisitions. Organic growth should exceed 10 percent on average. The total revenue growth is subject to availability, and successful completion, of potential acquisitions.



Profitability

In the short to medium term, Raketeck targets an adjusted EBITDA margin exceeding 50 percent.

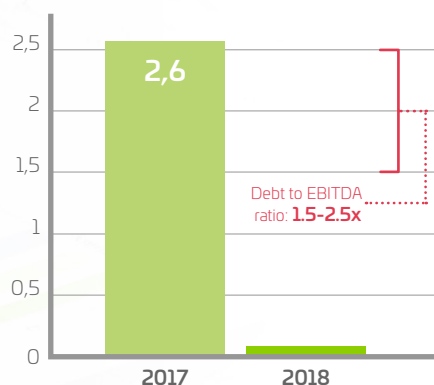


Dividend policy

Raketeck operates in a growing market under ongoing consolidation. In order to capitalize on the existing growth opportunities, the Group intends to prioritize growth activities, including acquisitions.

Leverage

In the short to medium term, Raketeck targets a Net Debt to EBITDA ratio in the range of 1.5-2.5x. The Group may choose to operate temporarily outside this span under certain circumstances during limited time periods, e.g. after an acquisition.



Any dividend paid will be subject to Raketeck's overall financial position, growth prospects, profitability, acquisition opportunities and cash flow.

In 2017 and 2018 no dividend was paid out or proposed to the Group's shareholders.

OUR BUSINESS MODEL

The majority of Raketech's revenue streams are from online casino and online sports betting, where we provide iGaming operators with high-quality traffic and exposure to visitors. Raketech is a direct link between supply and demand in the iGaming market.

Raketech in the value chain

Affiliate companies such as Raketech provide comprehensive reviews and analyses of the operators, games and betting odds listed on the operator sites. By delivering high-quality content with relevant and up-to-date information, we provide a service that matches the online player's individual preferences and requirements. We provide relevant information to online players, who select the right operator for their needs. This process increases the chance of players being satisfied with their choices, while the operator in turn generates revenue based on new customers.

Several ways of reaching consumers

In general, affiliate companies such as Raketech provide different types of marketing that operators use to reach out to their target groups.

Lead Generation – Performance based marketing

Lead-generating products within the iGaming market, which through indirect traffic, mostly via comparison products, attracts online players and refers those players to iGaming operators.

Media-based marketing

Our media products attract visitors primarily through direct traffic. Products in this category include online guides and online communities that consist of informative and interactive content, such as news, blogs, game tips and TV guides. Media products help increase user awareness about brands, as well as create a stronger preference for a particular advertiser and tend to generate a large amount of recurring traffic.

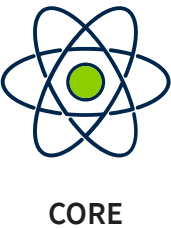
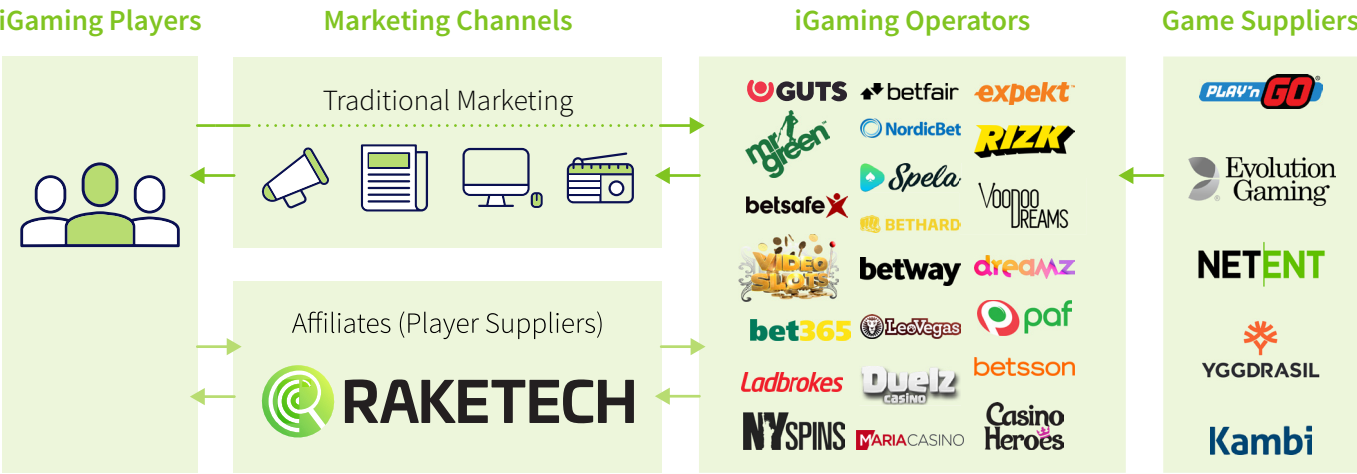
How we operate

Raketech's operations are based on

three pillars - our operating areas: Core, Lab and M&A.

Our primary focus is to ensure future growth by developing existing **Core** products and thereby allow improved ranking results and more traffic to our sites. To stay ahead of the technical development we also need to drive innovation of our industry and develop new products or joint ventures. This is done in the **Lab**. Thirdly, we focus on strategic **M&As**, where acquired complementary products and assets constitute important building blocks for our future.

Through our operational areas, Raketech can always choose the optimal path for growth. We have a well-established M&A strategy in place that we can execute on when acquisitions are identified as the ideal way forward for future growth. When internal development is the right strategy, we use our existing internal operational platform.



Core

Core is where we advance and develop our established product portfolio in order to allow for further organic growth. When a new product is developed and starts generating significant value for us and our customers, it is transferred into Core. When an acquisition is finalised and the new operation is integrated into our organisation, we move this new business area into our Core operations as well. In short, any products that have demonstrated their potential for sustainable growth are viewed as our core business, and managed as such.



Lab

Lab is our innovation hub, where new products are developed and new markets are evaluated. Through Lab, long-term growth is secured through pioneering thinking that drives the industry forward and enables adjustment of business to market development. Lab is a key part of our Group, where we can maintain our entrepreneurial DNA, inspiring employees to be creative and identifying new trends in products and technology.



M&A

Raketech has a strong acquisition history with a total of 23 acquisitions of varying sizes. M&A today is a complement to organic growth in key strategic areas. Our acquisition agenda aims to find strategically qualified businesses that complement and strengthens our existing product offering (comparison products, online communities, online guides and social media) in all geographic regions where the group operates, provided that there is a market for it. We primarily focus on acquiring assets in online sports betting, online casinos, mobile applications and other products that deliver a high user value.



“We provide a service to meet the online player’s individual preferences and requirements”

OUR PRODUCTS

Raketech's product portfolio is divided into four product areas: comparison products, communities, online guides and social media.

Comparison Products

The backbone of our operative model is SEO (search engine optimisation) that allows us to offer iGaming users relevant and up to date information from a wide selection of digital products.

Comparison products are a collection of comparison sites, which include websites that rank high enough for relevant keywords on search engines such as Google. The products provide visitors with the latest and most relevant information in order to make an informed decision within each subject area. We strive to offer high quality content comparison products to attract as much traffic as possible, and for potential players to be directed to gaming operators at the next stage.

Communities

Community websites contain

discussion forums, daily betting tips, informative data, and statistics in various sports. Communities provide users with the latest information based on user interests, thus attracting a high number of returning visitors.

Communities attract new users through searches, but also by providing users with a product that stands out through its content, design, ease of use and functionality. High activity by Raketech users in our communities' products increases the number of visitors primarily through recommendations.

Guides

Online guides are media products provided through websites and mobile applications, containing specialist information for specific segments. It gives the user all the content sought, while giving user-

friendliness and functionality a priority. The main focus of these products is to build long-term relationships with users, thereby achieving high customer loyalty and recurrence rates.

Social Media

We use social media to create a sense of community in online forums, thereby spreading information about the Group's new and existing products. We also see social media as a good tool for driving traffic. Sports betting sites tend to perform highly on social media as the modern sports customer often uses social media to find the latest news, views, and tips. We reach out to a wide range of sports and gaming users via social media. Online communities such as Betting.se is an example of products that generate referrals and user activity via social media.

MARKET TRENDS

OUR MARKET

Raketech is active in the iGaming industry. The players active within the iGaming market can be divided into four categories: game providers, game operators, marketing companies and online players.

The total iGaming market for Raketech's main regions (Nordics and United Kingdom) and related markets amounted to € 15.6 billion in Gross Gaming Revenue (GGR) in 2017 according to H2 Gambling Capital, a market data firm. Of the total Net Gaming Revenue (NGR) after tax, 35 percent is estimated to have been generated by affiliate companies, which receive approximately 30 percent of these revenues. This means that the total affiliate market's value amounts to approximately € 1.1 billion across Raketech's main regions and related markets.

FIVE IMPORTANT TRENDS

Consolidation

The European affiliate market is fragmented, with the seven largest companies accounting for approximately 15 percent of the total market. Consolidation in the affiliate market is therefore a key trend that is expected to continue. Consolidation may result in a few major affiliate companies dominating the market, which may benefit gaming operators, who can cooperate with fewer affiliate companies to obtain the desired amount of traffic.

Raketech has been a driving force in consolidation within the affiliation market, with 23

completed acquisitions.

Content and platform presence

As competition in the affiliate market increases and consumers make higher demands, high quality and comprehensive content on affiliate websites will be increasingly crucial in attracting online players. Mobile phone use is a key factor in driving iGaming growth, which has led many gaming operators and affiliate companies to develop products tailored for mobile use.

Increased mobile traffic also means that it becomes increasingly important for affiliate companies to keep their product offerings

Regulation in Sweden in 2019

New regulation came into effect in the Swedish market on January 1st 2019.

During 2018 we invested time and resources to prepare for these changes in order to maintain our strong position in the Swedish market.

consistent across all channels, also known as an "omnichannel offer". Raketech has focused on mobile development for several years, and in 2018, around 60% of the traffic from our products came from mobile devices.

Big data

Large affiliate companies have access to a significant amount of data through their traffic. The ability to efficiently utilise and analyse such traffic is essential for future growth. Many companies, both iGaming operators and affiliate companies, are unable to exploit the data they collect. For the affiliate companies that can structure and use their data analysis effectively,

The new regulation implies that any iGaming operator can apply for a license in Sweden and thus offer its services to Swedish players.

During 2018 we have re-negotiated terms with our partners and secured new partnerships with large gaming operators that entered the Swedish market for the first time.

The gaming tax of 18 percent of gross gaming revenue (GGR) for the gaming operators will in most cases be split across the value chain.

A newly regulated Swedish gaming market presents an opportunity for paid online media advertising, a service which we are ready to provide during 2019. We believe that strengthened regulation in any market should set out long-term guidelines for everyone involved, and thus contributes to a sustainable gaming market.

there is a large potential to broaden their portfolio with new products and adapt their product offerings to better match the needs of their customers. Raketechn has its own department for technology and product development, which has the task of making data collection more automated and operations scalable.

Social media

Social media is not fully utilised by companies in the affiliate market, but as the market matures and social media becomes an important part of the marketing mix, an effective social media strategy will become a key differentiation factor. Social media is one of Raketechn's four product areas, and is used to

create a sense of community and spread information about current and new products. Our strategy also includes launching new products through streaming services like Twitch and Facebook.

Regulation

Unlike iGaming operators and suppliers, affiliate companies do not need a licence to conduct their business in most markets. Affiliate companies do not offer any gaming products directly, but act as a link between online players and operators.

However, affiliate companies must comply with legislation on, for example, iGaming marketing

laws. Regulatory entities in certain jurisdictions, such as the UK, have set guidelines for affiliate marketing practices, in addition to regulating the online gaming industry.

Increased regulatory requirements for the iGaming industry can create challenges for primarily smaller affiliate companies that do not have the resources for regulatory compliance, which in turn drives consolidation in the market, as iGaming operators tend to choose larger and fewer suppliers.

The main reason for this is that operators have an obligation to ensure that all their product marketing, including via affiliate companies, must comply with laws and regulations, so having fewer affiliate partners requires less resources and reduces the risk of sanctions for non-compliance. Affiliate companies with a well-developed stance on regulatory compliance, such as Raketechn, are well-positioned to take market share from smaller affiliate companies that do not have the same capacity and competency in compliance.

OUR VIEW ON CORPORATE RESPONSIBILITY

Operators within the iGaming industry are responsible for how third parties market their products. In line with the increasing regulatory regime, this entails an increased risk for operators in the choice of affiliate companies to work with. The regulatory trend, therefore, is driving the market towards responsible business operations and first-rate compliance, where Raketech is one of the leaders within the affiliate segment.

Raketech's corporate responsibility

Raketech's corporate responsibility focuses on iGaming player safety, refraining from misleading and unclear advertising, as well as highlighting the risks associated with gaming abuse. Gaming operators are focused on identifying insufficient

regulatory compliance on the part of affiliate partners. Such non-compliant partners are, in turn, likely to be terminated by operators, as this otherwise leads to direct regulatory risks for them.

The market is constantly evolving towards increased transparency. In

order to be at the forefront of this evolution, Raketech has developed a comprehensive framework to ensure regulatory compliance throughout all products. We foresee that iGaming markets will become more regulated in the future, and corporate responsibility will continue to play a crucial role.





Rakotech has developed a comprehensive framework to ensure regulatory compliance throughout all products.”

Compliance and code of conduct

At Rakotech we strive to lead our industry when it comes to regulatory compliance. We have a close dialogue with our partners in order to ensure compliance with the strict regulations and other requirements that apply to both Rakotech and our customers. The group also actively participates in iGaming conferences regarding

compliance, affiliate marketing and responsible gambling.

During 2017, we established a regulatory compliance function with the aim of monitoring the continuous development in the market and to work proactively on regulatory matters. The group released a responsibility statement to communicate a robust standpoint on compliance

and corporate responsibility.

During 2017, Rakotech also employed a corporate responsibility manager who reports directly to the CEO. Important responsibilities for this role are to ensure compliance with iGaming marketing guidelines as well as ensuring that Rakotech's Code of Conduct and ethical values are followed.



THE GROUP'S CODE OF CONDUCT IS BASED ON FOUR PRINCIPLES:

Ethics, team and responsible gaming

Loyalty and commitment towards all stakeholders

Fair gaming and fair market competition

Security and data protection

A partnership for the future

In 2018, Raketech was the first affiliate company to announce a partnership with the Swedish Gambling Association (SPER, Spelbranschens Riksorganisation), which is dedicated to protecting consumers and stakeholders in a regulated Swedish gambling market, and has committed to educating consumers on responsible gambling and protecting the long-term sustainability of the Swedish gambling industry.

Through this partnership, Raketech becomes one of several businesses with the common goal to protect the long-term sustainability of the Swedish gaming industry.

Following our ethical standpoint, Raketech refrains from methods and practices such as pop-up ads, text messaging, false marketing, using images and content that appeals to minors, and promoting gambling to vulnerable individuals or encouraging excessive gambling. Raketech made changes to its operations in preparation for the European General Data Protection (GDPR) directive in May 2018. The group updated its privacy policies, content strategy and direct marketing to ensure it was in line with GDPR requirements.

Compliant content is key


Raketech provides content that

promotes a safe and secure experience for its users. Raketech's portfolio of iGaming products have been enhanced with updated responsible gambling messaging and new information on the tools available in 2018. The objective is to promote our partners in the best light, with clear and transparent content that directs more educated and informed users to gaming operators. The roll-out of a robust compliance strategy has not only helped us sustain operator partnerships, but also gain re-approvals for acquisitions to promote operators who had previously cut ties with the former management of those acquisitions.



EMPLOYEES

Raketech is a leading online affiliate and content marketing company primarily operating within the iGaming and sport betting industry. We are experts in delivering high value organic traffic to our proprietary, well appreciated online comparison products, guides, communities and social media products. We follow a clear framework for responsible practices, guide sports and gaming enthusiasts to the best possible services, and deliver high-quality leads for our partners.



“A team of more than 90 professionals, committed to guide and inspire.”

Our values

Working at Raketech means being part of an amazing team of professionals who all share the passion and commitment to provide correct, trustworthy and inspiring information that helps people to make informed decisions. We have established five core values that describe who we are and how we behave in our day-to-day work:

Teamwork

Teamwork is core to any organisation. At Raketech we are one company, one team. We are strongly committed to a teamwork environment where each and every employee is a valued member, treated with respect, encouraged and empowered to contribute, and is rewarded for his or her effort. We

celebrate our unique backgrounds, skills and viewpoints to reach common goals.

Focused

Raketech is committed to doing what is right for our customers and employees. We are ready for any challenge that comes our way and focus on achieving great results.

Ownership

Our value of ownership is the willingness of all of us to take responsibility for our performance in all of our decisions and actions. The idea is that we are all business owners and that our actions have an impact on the organisation. We have managed to create a culture where employees feel they are integral in contributing towards the overall performance of the Group.

Hungry

Raketech values hungry employees, those who are eager to learn new skills and gain new knowledge; employees who do whatever is necessary to help the team succeed, who are self-motivated and diligent. Given that we work in a fast-changing environment, we embrace change and act fast in everything that we do.

Open minded

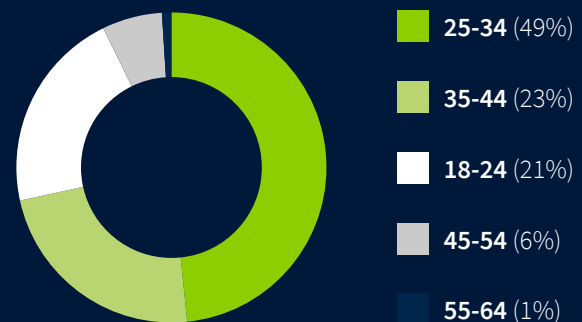
We go after new opportunities. Not scared to be bold and put ourselves out there. We value diversity in people and ideas, and believe that working with people of different backgrounds, cultures, and thinking styles helps our people grow a better company.

90+ EMPLOYEES

17 DIFFERENT NATIONALITIES

65%
MALE

35%
FEMALE



AGE BREAKDOWN





Our working place

Raketech is an equal opportunity employer, committed to providing a safe and respectful work environment, where everyone is treated with respect and dignity. The rights and obligations imposed by these instructions apply to anyone who has contact with the Group, including employees, job applicants, service providers, consultants, etc.

At Raketech, we believe that by adhering to these instructions we will achieve an ability-based workforce, which values individuals according to how well they perform, and allows them to work to their best potential, free from any form of discrimination, intimidation or harassment.

We employ equality principles in our decisions relating to: Group policies, the recruitment process (including interviews, job offers and recruitment advertising), the terms and conditions of employment (including compensation), access to promotion, training and benefits relating to employment, dismissal and compulsory retirement.

We know that if a person is going to spend a large proportion of his or her daytime hours at work, we need to offer a working place that embraces a balanced life, which is why we also offer our employees a number of family-friendly measures such as extra parental leave, flexible working hours and beneficial insurance.



We are committed to providing a safe environment for all our employees, free from discrimination on any grounds, and from harassment at work, including sexual harassment. We operate a zero-tolerance policy, treat all incidents seriously and promptly investigate any allegations of harassment.

EMPLOYEE STORIES

NAOMI FENECH
Junior HR Business Partner



My role here at Rakotech is Junior HR Business Partner. I am responsible for processing payroll monthly and providing an effective and efficient HR administrative support to the HR Department. My tasks include maintaining recruitment and managing candidates as well as being the point of contact for recruitment agencies. I also ensure that our managers follow our defined HR processes and introduce new colleagues – among many other things.

Along with others in my team, I work very hard to keep our

employees happy and motivated, which in return helps the employees who work directly with customers do a great job.

I love working here for a number of reasons. Love the flexibility, the benefits, the colleagues, the environment and the fact that I work with a wonderful team who are always willing to help and support when needed. I feel appreciated and recognised for what I do! I feel that all employees are valued, and the Group invests a lot in us to grow both personally and professionally.

MALIN SVENSSON
Acting Chapter Lead Content



Working for Rakotech has truly been an exciting journey for me. I started working here in early 2017 as a content writer and shortly after I got to take care of a content project on the side. As the project grew so did my team.

Today I am the Acting Chapter Lead of the Content Department. This role entails a complete overview of the content areas, supporting and handling all content related projects as well as help my team to create the best user experience online. The content department is one of the core departments at Rakotech and as the affiliate industry is very fast paced, we have to adapt to these changes

very quickly. We are constantly challenged to stay on top of things which makes us learn something new every day. Myself and the team work hard to adopt a proactive mindset in everything we do to have successful products.

I love that Rakotech gives you the opportunity to grow and advance. If you are dedicated, openminded and eager to learn, the sky is the limit. To me, Rakotech symbolizes and practice that openness every day which is something that is reflected in the work environment. Rakotech let us be ourselves and empowers us to grow, this attracts the right people and retains top talent.

DAVIDE SANTANGELO
Graphic Designer



Having joined the Group in 2016, I am one of the graphic designers in the "Studio", our Design Department. My work includes creating daily banners, images and infographics for our websites. I also work with the branding of Rakotech, such as designing our financial reports, presentations for the sales department, company posters, job adverts, branding for our events, office and goodies design and much more.

What we do daily in the "Studio" is to make sure the customers are engaged with our products in the

best visual and user experience way as possible. We are involved in creating cutting edge affiliate products, web pages, banners, images and branding.

We also work with and for our partners. It's our responsibility to promote their brands in the best way possible.

I have been working for Rakotech for more than two years now, and what I appreciate the most is that every day there is a different task, a different challenge, but always with people I really admire by my side and in a place where I can be 100% myself.

TOKE MØLLER THEILADE
Rakotech Community Manager



For the last four months, I have been the Rakotech Community Manager, making me responsible for the Group's betting community platform, which runs Betxpert.com, Betting.se and Urheiluveikkaus.com, as well as the Danish sports betting SEO assets.

Our aim is to help our visitors with their betting adventures through betting tips, guides and educational content of the highest quality. We employ skilful and knowledgeable tipsters and betting experts with a proven track record, who provide real value to the visitors and educate them.

Furthermore, we are always trying to use our connections to our partners to help readers if they run into any unexpected problems when betting. We are thus not only helping our partners in actively getting new customers, but also with long-term retention and player satisfaction.

I enjoy every moment of my time at Rakotech, and it is inspiring to be a part of the change and development the Group has gone through. It is an organisation that appreciates good ideas and allows its employees to grow professionally.

THE SHARE

2018 was historic for Raketech as the Group made an initial public offering (IPO) of the Raketech share. On 29 June 2018, Raketech Group Holding PLC was successfully listed on Nasdaq First North Premier with an increase of 13,333,333 shares. The listing is deemed to promote the Group's continued growth, contribute to an optimised capital structure, increase acquisition opportunities and strengthen the awareness of the Group among customers and potential employees.



On 31 December 2018, the share capital of Raketech Holding amounted to € 75,801, distributed among 37,900,633 shares. Each share entitles the holder to one vote and an equal share in the Group's assets and earnings.

Market capitalisation, price trend and turnover

In 2018, the price of Raketech's share decreased from SEK 28.5 (closing price) on the day of the IPO to SEK 19.5 on 31 December 2018, a decline of 31.6 percent. During the same period, the Nasdaq First North Premier

Sweden's index (FNSESEKPI) declined by 9.2 percent. Management is strongly committed to continue delivering solid results and maintaining an open and transparent dialogue with owners and investors to secure a long-term positive development of the share price.

The lowest price paid for the share during the year was SEK 19.0 on 27 December, and the highest was SEK 30.3 on 10 July. The year-end price gave Raketech a market capitalisation of SEK 739 million. Share trades were concluded on every business day of the year, except for two days. Average daily trading was 119,014 shares.

Shareholders

At the end of 2018, Raketeck had 797 shareholders. The 7 members of the management team had a total holding in Raketeck of 3,884,885 shares and 361,903 options and Raketeck's Board members held a total of 6,695,250 shares.

Shareholder communications

During its first six months of public trading, management of Raketeck greatly emphasised communicating with investors and owners to increase knowledge of the Group. This includes roadshows held in Sweden and UK as well as participation in several investor events hosted by Swedish investment banks.

Dividend policy

Raketeck operates in a growing market under ongoing consolidation. In order to capitalize on existing growth opportunities, the Group intends to prioritize growth activities, including acquisitions.

Any dividend paid will be subject to Raketeck's overall financial position, growth prospects, profitability, acquisition opportunities and cash flow.

For the AGM in 2019 no dividend will be proposed to the Group's shareholders.

Ownership structure as of 31 December 2018

Total no of shares 37,900,633

	Number of shares
Tobias Persson Rosenqvist	5,895,225
Erik Skarp	3,353,265
Johan Svensson	3,239,930
Martin Larsson	2,449,385
Reine Beck	1,544,940
Marcus Ingemansson	1,127,810
Philip Sirbäck	1,105,785
Berenberg Fonds	1,100,000
AD94 Holding AB	944,460
Magne Steier	755,325

Data per share (SEK)	Dec-18	Dec-17
Earnings before and after dilution	1.23	2.46
Operating cash flow	3.03	2.04
Equity before and after dilution	15.88	6.76
Share price 31 Dec	19.50	-
P/S multiple	2.8	-
P/E multiple	15.8	-
Number of shares at year end	37,900,633	23,770,071

* fx rate SEK/€ 10.25 (avg SEK/EUR rate at 31 December 2018)

Transaction	Year	Change in share capital (€)	Total share capital (€)	Change in number of shares	Total number of shares	Nominal value
Redenomination	2018	46,012	47,782	-	176,971	0.27
New share issue ¹	2018	1,352	49,135	5,009	181,980	0.27
Share split	2018	-	49,135	24,385,320	24,567,300	0.002
New share issue ²	2018	26,667	75,801	13,333,333	37,900,633	0.002

Development in share capital

1. Of the 5,009 new shares issued in total, 1,707 shares were issued at a share price of € 601.74 per share, 84 shares were issued to a share price of € 620.27 per share and the remaining 3,218 shares were issued to a share price of € 332.98 per share.
2. Based on the authorisation of the Company's articles of association, the board of directors resolved to issue 13,333,333 new shares in conjunction with the offering.

CORPORATE GOVERNANCE REPORT

Raketech Group Holding PLC is a Maltese public limited company that has been listed on Nasdaq First North Premier since 29 June 2018. The Company's registered office and headquarters is in Malta.

Raketech applies the Maltese Companies Act and follows the Swedish Code of Corporate Governance (the "Code"), and the rules applicable to companies listed on the Nasdaq First North Premier exchange, including the EU-wide Market Abuse Regulation ("MAR"). The current Code is available on the Swedish Corporate Governance Board's website <http://www.corporategovernanceboard.se/>.

INTRODUCTION TO RAKETECH'S CORPORATE GOVERNANCE

Governance, management and control are divided between the shareholders, the Board of Directors, the CEO and the rest of the Group Management in accordance with applicable laws, rules and instructions.

Good corporate governance is important to ensure that the Company is managed in a sustainable, responsible and effective way to maximise the value for the shareholders and thereby meet the shareholders' requirements on invested capital. To be able to achieve effective corporate governance a clear distribution of roles and areas of responsibility needs to be established. The control and governance within Raketech are divided between the shareholders, Board of Directors, CEO and Executive Management team in accordance with applicable laws, rules and instructions.

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

In addition to external governance instruments and the

Company's Memorandum and Articles of Association, the Company also applies internal steering instruments for corporate governance, such as the CEO's instructions, Board instructions, Code of Conduct and all other policy documents.

These documents are reviewed on a recurring basis. Even though Raketech is listed on Nasdaq First North Premier, Raketech applies the Code in full. If a certain rule isn't applied, it is clearly stated in this Corporate Governance report along with an explanation of Raketech's reasoning.

Accordingly, the Company has for 2018 decided not to adopt the Maltese equivalent of the Code (the Code of Principles of Corporate Governance) set out in the Maltese Listing Rules. However, from 2019, Raketech will apply the Maltese Code in accordance with the Nasdaq First North Nordic – Rulebook, which states that the issuer shall apply the local corporate governance code in the country where it is incorporated if listed before July 1, 2018. The requirements apply as of July 1, 2019. It should be noted that the Maltese and Swedish codes of corporate governance share a number of similar or common principles, why no major changes are expected to the Company's corporate governance.

The Company's Memorandum of Association and Articles of Association were approved at the General Meeting of the Company's shareholders, which also included setting provisions regarding what kind of business activities the Company is to conduct, limitations on the share capital and the number of shares, how a General Meeting notice is announced, where General Meetings shall be held and deciding the total permitted number of Board members. In accordance with the Company's Articles of Association, a Board member's seat applies until the end of the first Annual General Meeting one year after the Board member was appointed, whereby the respective Board member is available for re-election.

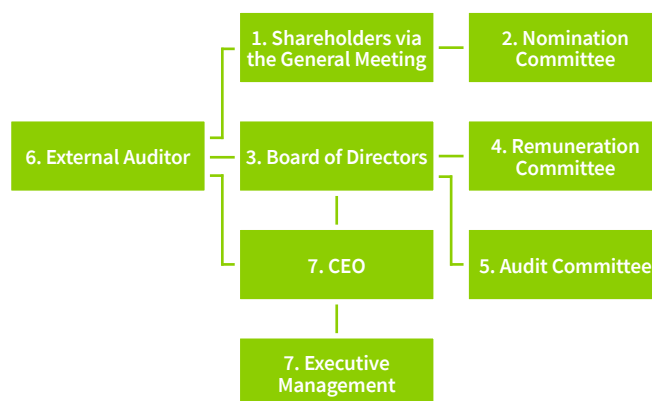
The Board members are appointed through a simple majority vote represented at the General Meeting. In addition to this, the Board members have a right to appoint new Board members in the Company under certain conditions in accordance with Article 113 of the Company's Articles of Association. This is with a deviation from the Swedish Corporate Governance Code, which state that the shareholders' meeting has the exclusive decision-making powers of the election of board members. Raketech has chosen this solution as it is in accordance with the Maltese Code of Principles of Corporate Governance.

A Board member's appointment can end early if the Board member notifies that he/she wishes to resign, if the shareholders resolve to dismiss the Board member, or if an issue arises for the Board member to serve in that capacity in accordance with Article 112 of the Company's Articles of Association. Such dismissal shall not affect any remuneration requirements the Board member may have due to the Company's potential breach of contract. The shareholders may resolve to dismiss the Board member through a resolution at a General Meeting passed with a simple majority of votes represented at the General Meeting. The Company may amend its Memorandum of Association and Articles of Association by an extraordinary resolution in terms of

Article 79 (1) of the Maltese Companies Act (Chapter 386 of the Laws of Malta).

The Articles of Association of the Company requires an extraordinary resolution to be taken at a General Meeting passed by shareholders having the right to attend and holding in aggregate not less than seventy-five per cent in nominal value of the shares represented and entitled to vote at the General Meeting and at least fifty-one per cent in nominal value of all the shares entitled to vote at the General Meeting.

RAKETECH'S CORPORATE GOVERNANCE STRUCTURE



1 The shareholders and general meeting:

Raketech was listed on Nasdaq First North Premier on 29 June 2018. Raketech's share capital amounted to € 75,801, divided between a total 37,900,633 shares held by 797¹ shareholders as at 31 December 2018. All shares are equal, with identical voting rights (one vote per share) and an equal contribution of the company's capital and profit. At the same time, the company's largest shareholders were Tobias Persson Rosenqvist with 15.6 percent of the share capital and votes, Erik Skarp with 8.8 percent of the share capital and votes and Johan Svensson with 8.5 percent of the share capital and votes. The ten largest shareholders represented 56.7 percent of the share capital and votes.

¹ According to Holdings (Monitor Finance)

General meeting

The Annual General Meeting is Raketech's highest decision-making body, at which shareholders exercise their influence on the Company. Every year, the Company shall hold an Annual General Meeting in addition to any Extraordinary General Meetings that are held during the year. All General Meetings shall be held in Stockholm or in Malta, in accordance with the decisions of the Board of Directors. All registered shareholders can notify the Company if they wish to attend the General Meeting and vote with their shares. The date and venue for the Annual General Meeting will be announced in connection with the third interim report each year. Detailed information on how shareholders can raise a matter at the meeting and the deadline for making a request is listed on the Company's website. A public notice of the Annual General Meeting is published no later than four weeks prior to the meeting. The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the statement of financial position and statement of comprehensive income
- Appropriation of profits and dividends
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee

All shareholders, regardless of the number of shares held, have a right to demand that a matter is added to the agenda for the General Meeting. The matter must be justified and include a proposed resolution in order to be presented in the General Meeting. A shareholder, who wants to have a matter taken up on the agenda or submits a proposed resolution regarding matters included on the agenda, shall send a request to the Company no later than 46 days before the day of the General Meeting in keeping with Article 66 of the Articles of Association. Resolutions at a General Meeting are

usually passed with a simple majority of votes. However, in accordance with the Maltese Companies Act (Chapter 386 of the Laws of Malta) and the Company's Articles of Association, certain matters will require approval by a higher percentage of the votes and votes represented at the General Meeting.

Annual General Meeting 2018

The 2018 Annual General Meeting was held on 18 May 2018. At the meeting, 100% percent of shares and votes were represented. At the meeting, decisions were made on customary areas, as well as matters needed to prepare the Company for the Nasdaq First North Premier listing. The minutes of the meeting, as well as other documentation from the meeting was published on the Company's website.

Annual General Meeting 2019

The 2019 Annual General Meeting will take place at 09.30 on 8 May 2019, at Stureplan 8 in Stockholm.

Notification of the Meeting will be issued on the Company's website, where requisite documents, such as the information providing the basis for decisions, will also be made available prior to the Meeting.

2 Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2018 Annual General Meeting, it was decided that the Nomination Committee should consist of five members, including one representative for each of the four largest shareholders and one Board Member independent of the Company's management. In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- A chairman for the meeting
- Number of Board members
- Board members and Chairman of the Board

- Board fee
- Possible remuneration for committee work
- Auditors and auditors' fees
- Process for establishing the ensuing Nomination Committee

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the Company's website. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the next Annual General Meeting. The Nomination Committee consist of the following members

- Tobias Persson Rosenqvist, appointed by Swiss Life (Lichtenstein) AG, Chairman of the Nomination Committee;
- Erik Skarp appointed by Light Showdown Limited;
- Peter Björnström appointed by Akterbog Limited;
- Martin Larsson appointed by Chalex i Göteborg AB;
- Christian Lundberg (Chairman of the Board of Directors of Rakotech).

When a shareholder who has appointed a member to the Nomination Committee is no longer one of the largest owners, due to a reduction in the said owners' shareholdings or an increase in another owners' shareholdings, the Nomination Committee can decide to withdraw and replace the nominated member. The next largest registered shareholder who has not yet appointed a member to the nomination committee can select a new member.

If the registered ownership structure otherwise materially changes before the Nomination Committee's assignment has been completed, a change in the composition of the Nomination Committee shall

be made, if the Nomination Committee so decides, according to the principles stated above.

3 Board of Directors

Responsibilities and duties of the Board of Directors

The Board of Directors bears the overall responsibility for the organisation of the Company, and the management of its affairs to represent the best interests of the Company and its shareholders. The mandatory tasks of the Board of Directors includes determining the Company's overall targets and strategies, evaluating the CEO, ensuring that there are systems in place to monitor and control the operations and associated risks, ensuring that there is satisfactory control of the Company's regulatory compliance and ensuring that the information issued by the Company is transparent, accurate, relevant and reliable.

In accordance with the Company's Memorandum of Association, Rakotech's Board of Directors shall comprise of at least three and at most six members. The Board currently consists of five members, elected at the Annual General Meeting on 18 May 2018 and continuing until the 2019 Annual General Meeting.

The Annual General Meeting determines the precise number of members. At the 2018 Annual General Meeting, Christian Lundberg (Chairman), Erik Skarp, Johan Svensson, Fredrik Svederman and Annika Billberg were elected as members of the Board of Directors. Johan Svensson is also an employee of the Company as Chief Commercial Officer and is a member of Rakotech's Executive Management team.

Member	Board fee	Committee fee	Salary	Independent in relation to the company and its Executive Management	Independent in relation to major shareholders	Board meetings	Board resolutions	Audit committee	Remuneration committee
Christian Lundberg	€ 50,000	N/A	-	Yes/No	Yes/No	13/13	6/6	-	1/1
Erik Skarp	€ 30,000	N/A	-	Yes/No	Yes/No	13/13	6/6	3/3	1/1
Johan Svensson	€ 30,000	N/A	€ 225,000	Yes/No	Yes/No	13/13	6/6	-	-
Fredrik Svederman	€ 40,000	N/A	-	Yes/No	Yes/No	13/13	6/6	3/3	-
Annika Billberg	€ 30,000	N/A	Up to €10,000	Yes/No	Yes/No	6/13 (elected at 2018 AGM)	6/6	3/3	1/1

Independence

The number of Board members who are independent in relation to the Company stands at four people (80 percent). There are three Board members who are independent from the major shareholders (60 percent).

- Erik Skarp is Raketechn's second largest shareholder and even though he does not have an operational role at the Company, he is not considered an independent board member due to the large size of his holding. Erik Skarp only receives remuneration in the form of a Board fee.
- Johan Svensson is Raketechn's third largest shareholder and acts as Chief Commercial Officer. Johan Svensson is employed by a consultancy agreement with Akterbog Limited and receives remuneration for his special insight into the operations and gaming affiliation industry. He also has a valuable long-standing relationship with Raketechn's customers and business partners. Consequently, both the Company and its shareholders benefit from having access to this experience at Board level and in the ongoing operations. Johan Svensson also receives remuneration for his role as a member of the Company's Board of Directors.

A Board member may not take part in decisions where a

conflict of interest may exist. This comprises of decisions regarding agreements between a Board member and the Company, agreements between the Company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the Company, as well as agreements between the Company and the legal entity that the Board member represents.

Work of the Board in 2018

The Board's formal work plan states which points must always be on the agenda at Board meetings. During 2018, the Board held thirteen minuted meetings and six per capsulam meetings. All of the meetings held during the year followed an agenda that was provided to the Board members before the respective meeting together with relevant documentation. The CEO and the CFO and Company's legal advisor, in his capacity as the Board's secretary, also participated in the Board meetings. The CEO reports on the operational development and on the underlying operational performance at each ordinary Board meeting and the CFO reports on the financial performance. In addition to this, the CFO, senior executives and, when necessary, the Company's auditors hold presentations in various areas. In 2018, the Board devoted particular attention to the listing process on Nasdaq First North Premier in Stockholm.

Assurance of quality in financial reporting

The CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the Company's financial performance including its financial position and liquidity. The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied within the Group in respect of its financial reporting, as well as significant changes in the reporting principles. Minutes from all Audit Committee meetings are made available to all Board Members and the auditors.

Board committees

The Board of Directors has established a Remuneration Committee and an Audit Committee.

Evaluation of the work of the CEO and management

The Board continuously evaluates the work of the CEO and Executive Management. This evaluation shall be discussed at least once a year when the CEO or any other member of the Executive Management is present.

Remuneration and other benefits to the Board and the Chairman of the Board, including Board committees, are decided on by the Company's shareholders at the Annual General Meeting. Remuneration to the Board members, including the Chairman, is resolved upon by the General Meeting. At the Annual General Meeting 2018, it was resolved that the total compensation for the Board members for the financial year 2018 shall amount to € 180,000 and be allocated as follows:

Name	Position	Board fee (€)
Christian Lundberg	Chairman	50,000
Erik Skarp	Member	30,000
Johan Svensson	Member	30,000
Fredrik Svederman	Member	40,000
Annika Billberg	Member	30,000
Total		180,000

Christian Lundberg is, in addition to chairman of the board, also chairman of the remuneration committee. Fredrik Svederman is the chairman of the audit committee. These assignments explain the higher fees in comparison to the other members. In addition to his position on the board, Johan Svensson is also employed by a consultancy agreement with Akterbog Limited by the Company as CCO since 2017 and for that receives an annual salary in form of a consultancy fee of € 225,000. Annika Billberg receives remuneration for assisting Rakotech with investor relations support and a special focus on the preparation of the 2018 annual report. For that she receives remuneration up to € 10,000. Annika Billberg has experience within investor relations from her role as Chief Brand & Communication Officer at Intrum AB (publ).

4 Remuneration Committee

The Remuneration Committee consists of Christian Lundberg (chairman), Erik Skarp and Annika Billberg. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the CEO
- The Company's remuneration policy and other terms of employment for the Company's Executive Management
- Share option schemes and similar arrangements, as well as other rewards or forms of compensation available to a wider range of Group employees

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the Company's Executive Management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company.

During 2018, one meeting was held, at which all members attended.

5 Audit Committee

The Audit Committee shall consist of at least three members, of which at least one shall have accounting and auditing expertise. The members of the Audit Committee may not be employees of the Company. The Audit Committee consists of Fredrik Svederman (Chairman), Erik Skarp and Annika Billberg.

The audit committee is responsible for:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the Company and the Group
- Monitoring the Company's financial reporting and assisting the Board in assuring the effectiveness of the Company's internal control, internal audit and risk management
- Regularly meeting the Company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination of the external audit and the Company's view of the risks in the Company
- Establishing guidelines for which services, beyond audit services, the Company may purchase from the auditors, as well as evaluating and monitoring the independence of the company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the Company beyond auditing
- Evaluating the audit and informing the Company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the

Nomination Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2018, three meetings were held, at which all members attended.

6 Auditors

The Annual General Meeting elects the Company's auditors. At the Annual General Meeting on 18 May 2018, PricewaterhouseCoopers Malta was elected the Company's auditor for the time until the 2019 Annual General Meeting. Romina Soler, Authorised Public Accountant and member of the Malta Institute of Accountants, is the engagement leader. The auditor has the task of auditing Raketech's annual report on behalf of the shareholders and making a statement on whether or not the annual report provides a true and fair view, according to IFRS as adopted by the EU and requirements according to the Maltese Companies Act (Chapter 386 of the Laws of Malta). In connection with the nine-month report, the auditor also conducts a review according to ISRE 2410. The 2018 Annual General Meeting passed a resolution that remuneration of the Company's auditor shall be payable in accordance with an approved invoice.

7 CEO and management

The CEO is subordinate to the Board and is responsible for the Company's on-going management and the operation of the Company. The division of work between the Board and the CEO is set forth by the formal work plan for the Board and the CEO's instructions.

The CEO is responsible for leading the operations in accordance with the Board's guidelines and instructions. The CEO appoints the members of the Executive Management team, leads its work and makes decisions after consulting with its members. The CEO also presents at Board meetings and shall ensure that the Board's members are continuously

sent the information needed to monitor the Company's and Group's position, performance, liquidity and development. The CEO's work is continuously evaluated by the Board in accordance with the requirements of the Code.

Michael Holmberg is the acting CEO of the Company. For further information on, among other things, the acting CEO's education, professional experience and holdings in the Company, please refer to:

<https://raketech.com/governance/>

The Executive Management team at the beginning of 2018, consisted of Michael Holmberg (CEO), Johan Svensson (Chief Commercial Officer), Andreas Kovacs (Chief Financial Officer), Jonas Petersson (Chief Technology Officer), Martin Larsson (Chief Product Officer), Martin Schillig (HR Director) and Andreas Fredmark (Chief Innovation Officer). In 2018, Andreas Fredmark and Martin Larsson resigned. In addition, the Company announced in 2019 that Niklas Forsberg (Sales Director) and Erik Jensen (Managing Director Sports Media) were appointed to the Executive Management team.

Remuneration to Senior management

The 2018 Annual General Meeting established guidelines for senior executives for the period up until the 2019 Annual General Meeting. Senior management refers to the CEO and the Executive Management team of Raketech. For information on the composition of Executive Management, visit Raketech's Governance webpage. The purpose of the guidelines is to ensure that Raketech can attract, motivate and retain senior executives with the skills and experience required to achieve Raketech's operational goals.

The remuneration offered by the Company shall be competitive and in line with market practice, as well as aligned with shareholders' interests. Remuneration to Senior management shall consist of a fixed salary with

an option to add a variable salary, for those members of the Senior management who do not sit on the Board of Directors. It is intended that these components will create a well-balanced remuneration reflecting individual competencies, responsibilities and performance, both short-term and long-term, as well as the Company's overall performance.

Fixed salary

The Senior management's fixed salary shall be competitive and based on the individual manager's competencies, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

Variable compensation

Senior management, but not members of the Board of Directors employed by the Company, may receive variable remuneration in addition to the fixed salary.

The annual variable remuneration will be cash-based and shall be based on predetermined and measurable performance criteria of the relevant manager for the purpose of promoting Raketech's long term value creation. The pre-set performance criteria are to be established and documented annually. Depending on the level of performance achieved, annual variable remuneration can vary from no variable payment up to fifty percent of the annual base salary.

Incentive programs

From time to time the Board of Directors may propose for the general meeting to resolve on a long-term incentive program.

On 9 April 2018, an employer share incentive program was introduced for certain key employees. Through this share incentive program, key employees were granted share options, whereof certain options may be utilised after 24 months after the first day of trading.

This constitutes a deviation from the Swedish Code which states that the vesting period or the period from the commencement of an agreement to the date for acquisition of share is to be no less than three years. The reason for the deviation from the Code is that the programme was finalised before the decision on the listing of the Company's shares on Nasdaq First North Premier was taken and, consequently, that the terms were set in accordance with market practice for private companies in Malta.

Other benefits

The Company also provides other benefits to the Senior management in accordance with local practice. Such benefits can, for example, include pension schemes, company health care and, more rarely, housing and travel allowances and school fees.

RISK MANAGEMENT AND INTERNAL CONTROL

Control activities

The Company has established a risk management process that includes a number of key controls. For the Board and Executive Management to be able to take responsibility for identified risks a strong internal control environment is key.

The Executive Management and CEO focuses on evaluating and following up the key risk areas within the organisation to limit the risks related to amongst others; financial reporting to ensure that the group's reporting is reliable in all material aspects; operations in order to avoid potential fraud; the market and changes within existing regulations in order to adapt to a changing industry. One example of a key control related to the financial reporting relates to impairment test performed related to the return on invested intangible assets. The Group operates through these intangible assets and a key control is to evaluate the return from these assets in order to assess possible impairment requirements.

Information and communication

The internal communication between Board of Directors and Executive Management takes place through the board meetings but also through the Group's internal portal where financial and operational information are shared between the Executive Group management and the Board of Directors. Internal communication between Executive Management and the rest of the organisation takes mainly place through monthly meetings but also through office wide letters which are mailed out occasionally. All policies including corporate social responsibility statement are uploaded on the internal Group portal where these can be accessed. The corporate social responsibility and regulation work is driven by the Group's Corporate Social Responsibility manager and his team. Communication is through Group wide emails but also through specific workshops. The Group's Corporate Social Responsibility group works close to the Sales team regarding regulatory work.

The Company's CEO has on behalf of the Board been given the overall responsibility for managing and handling insider information. The Group's CFO handles the insider lists and assists the Board of Directors, Executive Management and the rest of the organisation with matters relating to insider information together with the Group's Legal representative. It is the Group's Legal representative who is responsible for keeping the insider list. The Company's IR (Investor Relations) function is led and monitored by the Group's CFO together with the Head of Communications. The main tasks of the IR function are to support the CEO and the Executive Management in relation to the capital markets. The IR function lead by the Group's CFO also works, together with the CEO, to prepare the Company's financial statements and other regular reporting.

Monitoring/Follow-up

In line with the Group's Risk policy an annual evaluation

of the key controls and their effectiveness are evaluated. The evaluation is made by the Group CFO.

Raketech's risk management work shall follow a defined process, consisting of the three steps below:

- Risk identification and assessment
- Internal control requirements
- Self-assessments and reporting

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

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

Follow-up activities

Annual review and approval of policies by the Board. The effectiveness of the controls is to be assessed by defined persons throughout the organisation. The results are to be compiled at a Group level by the CFO and presented to the Executive Management team and the Board of Directors annually.

Internal audit

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

with the Board for compliance to established principles for internal control. The Audit Committee has full freedom to call for an external review of the parts of the group if deemed necessary.

MEMBERS OF THE BOARD

According to Raketech's Articles of Association, the Board of Directors shall consist of no less than 3 and no more than 6 members. The Board consists of 5 Directors of which 3 directors are independent and 2 members are not independent in relation to the Company, its management and in relation to the principal shareholders according to the assessment of the Nomination Committee.

CHRISTIAN LUNDBERG

Chairman of the board



Born: 1956

Elected: April 2017

Education: Economics at Stockholm University

Mr Lundberg is currently Chairman of the board of Aidon OY, Director of the Board at Cordial Business Advisors, CEO of Force 4U AB and a member of Deloitte Advisory Forum. He has previously served as Chairman of the board of NORM Research & Consulting AB (until 2015), Chairman of the board of Voddler Group AB (including group companies, until 2017), board member at Trygga Hem AB (now Sector Alarm Service AB, until 2013) and board member at Claremont AB (including group companies, until 2016).

Holding in Raketech Group Holding PLC: 62,355

Independent in relation to the company/major shareholders:

Yes/Yes

FREDRIK SVEDERMAN



Born: 1970

Elected: April 2017

Education: Bachelor's in Business Administration, Stockholm University, studies at UCLA, UC Berkeley.

Mr Svederman is currently board member at FS Financial Services AB. He has previously held positions as board member at various group companies within Evolution Gaming Group AB (publ) (until 2016) and he was the CFO of Evolution Gaming Group AB (publ) (until 2016).

Holding in Raketech Group Holding PLC: 70,000 (through endowment insurance)

Independent in relation to the company/major shareholders:

Yes/Yes

ANNIKA BILLBERG



Born: 1975

Elected: May 2018

Education: MSc Business Economics at the International Business School, Jönköping, Sweden and the University of Business & Economics Vienna, Austria.

Ms Billberg is currently Chairman of the Board at Midnattsloppet Nordic AB and Board member of Oppboga Bruk AB. She is the founder and CEO of True Communications AB. Previously she held the position as Chief Brand & Communications Officer at Intrum AB (until 2018) and Communications and Marketing Director (until 2017) and IR and Communications Director (until 2014) at Intrum Justitia AB.

Holding in Rakotech Group Holding PLC: 4,700

Independent in relation to the company/major shareholders:

Yes/Yes

ERIK SKARP



Born: 1985

Elected: September 2016

Education: Upper secondary education, Polhemskolan, Lund

Mr Skarp is Board member at Gameday Group Ltd and Light Showdown Ltd and founder and CEO of BetHard Group Ltd. He was previously the Chairman of the board and CEO of House of Crisp AB (until 2014) and board member at Fiberkonsulten Norrköping AB (until 2015).

Holding in Rakotech Group Holding PLC: 3,353,265 (through company)

Independent in relation to the company/major shareholders:

Yes/No

JOHAN SVENSSON



Born: 1985

Elected: September 2016

Education: Upper secondary education, Af Chapman Gymnasiet Karlskrona.

Mr Svensson was the CEO of Rakotech Group Holding PLC until 2017 when he assumed the role as Chief Commercial Officer. He is the founder and board member of BetHard Group Ltd, board member in Gameday Group Ltd and Akterbog Ltd.

Holding in Rakotech Group Holding PLC: 3,239,930 shares (through company)

Independent in relation to the company/major shareholders:

No/No

SENIOR MANAGEMENT TEAM

MICHAEL HOLMBERG Chief Executive Officer



Born: 1973

Education: LLM at Uppsala University, Marketing Programme at Stockholm School of Economics, Customised Executive Development, Cranfield University & School of Management, Cranfield, UK.

Mr Holmberg has been the CEO of Raketeck Group Holding PLC since 2017. Prior to this he was CEO at Gameday Group Ltd and EU General Manager and Director Live Events Europe at Rational Group until 2016. He was a board member at Freya Aviation One Malta Ltd (until 2018), board member at Argos Aviation Malta Ltd (until 2017), board member at Minerva Aviation Malta Ltd (until 2017), board member at NAC Services Malta Ltd (until 2017), board member at Oden Aviation One Ltd (until 2017) and board member and CEO at Bethard Group (until 2017).

He is presently a board member and owner of River Media AB, board member and owner of Tamiho Invest Ltd and owner of Gameday Group Ltd.

Holding in Raketeck Group Holding PLC: 600,000 shares (through company) and 171,971 options

JOHAN SVENSSON Chief Commercial Officer



Born: 1985

Education: Upper secondary education, Af Chapman Gymnasiet Karlskrona.

Mr Svensson was the CEO of Raketeck Group Holding PLC until 2017 when he assumed the role as Chief Commercial Officer. He is the founder and board member of BetHard Group Ltd, board member in Gameday Group Ltd and Akterbog Ltd.

Holding in Raketeck Group Holding PLC: 3,239,930 shares (through company)

JONAS PETERSSON Chief Technical Officer



Born: 1975

Education: Mathematics studies at Linköping University

Mr Petersson has been the CTO of Raketeck Group Holding PLC since 2018. Prior to this, he was Business Intelligence Specialist (until 2014), Head of Business Intelligence and CTO (until 2018) at High Light Media Group, CTO and Head of Business Intelligence at Netgaming (until 2018).

Holding in Raketeck Group Holding PLC: 16,470 shares (through company) and 49,135 options

ANDREAS KOVACS
Chief Financial Officer



Born: 1984

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

Mr Kovacs has been the CFO of Raketeck Group Holding PLC since 2017. Prior to this he was a Senior Manager at BDO Corporate Finance AB (until 2017), Manager of Corporate at Finance Mazars (until 2014), Senior Consultant Transaction Services at PwC (until 2013) and accountant at PWC (until 2010).

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

Holding in Raketeck Group Holding PLC: 18,630 shares and 66,331 options

MARTIN SCHILLIG
Human Resources Director



Born: 1983

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

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

Holding in Raketeck Group Holding PLC: 9,855 shares and 29,481 options

ERIK JENSEN
Managing Director Sports Media



Born: 1974

Education: The Norwegian School of Information Technology

Mr Jensen is the Managing Director Sports Media since July 2018. He was previously Sales Director for Norwegian and Swedish markets at LedLight Group (2013-2016), Senior Brand Manager (2016-2017) and Head of Marketing – Norwegian market at Betsson Group in 2017-2018.

Holding in Raketeck Group Holding PLC: 15,500 options

NIKLAS FORSBERG
Sales Director



Born: 1986

Education: Upper secondary education at FaluFri, Falun

Mr Forsberg has been the Sales Director of Raketeck Group Holding PLC since January 2019. Prior to this he was Content Writer, Sports Content Manager, Account Manager and Head of Sales at Raketeck.

Holding in Raketeck Group Holding PLC: 29,485 options

DIRECTORS' REPORT

The directors present their report and the consolidated audited financial statements of Raketech Group Holding PLC (the “Group”) for the year ended 31 December 2018. The Group has three subsidiaries; Gamina Limited, TV Sports Guide Ltd and Shogun Media Limited. All subsidiaries are Malta incorporated entities.

PRINCIPAL ACTIVITIES

Our corporate objective is to create sustainable long-term shareholder value through acquiring, creating and operating high-yielding intangible assets within the i-gaming affiliation market across various European jurisdictions, with revenues primarily from the Scandinavian and UK markets.

The Group attracts users through online marketing techniques, principally Search Engine Optimisation (SEO) and other media products. For this purpose, the Group owns and operates websites in various languages. The Group’s strategy within SEO is to achieve top positions in search engine algorithms to be able to attract high value traffic of potential players to the Group’s customers.

REVIEW OF THE BUSINESS

2018 Financial key performance indicators

The directors are pleased to report continuous positive performance during the financial year 2018. The Group completed four acquisitions within Scandinavia and further strengthened the Group’s product portfolio.

Revenue for 2018 amounted to € 25.6m (€ 17.1m). Performance in 2018 was driven by the strong organic growth, as well as the impact of the four completed acquisitions.

The cost base, which comprises of direct costs, employee benefit expenses, and other expenses amounted to € 14.4m (€ 8.3m). The increased cost base is mainly driven by non-recurring expenses related to listing costs in relation to the listing to Nasdaq First

North Premier, but also by increased headcount and investments in Business Intelligence and IT-systems to further strengthen automation.

2018 Non-financial key performance indicators

The Group has grown substantially during 2018, mainly through organic growth but also from acquisitions. The acquisitions were supported by the external debt financing that was raised in February 2017, which was fully repaid as of 1 March 2019.

As at 20 December 2018, the Group entered into an agreement with Swedbank AB related to a revolving credit facility. The board of directors expect continuing growth through acquisitions financed by the revolving credit facility raised in December 2018. 100% of the shares of Raketech Group Limited were pledged as at 1 March 2019 when the Group entered into the agreement with Swedbank AB.

During 2018, a new content system was rolled out through the HUB (the Group’s own developed inhouse data warehouse) and other investments were made to further improve the Group’s IT and operational structure.

Through the Group’s innovation lab “the LAB” several new products have been launched during 2018 such as the Esportsguide, Cryptimi and new features such as liveodds on the Tv-sportsguides. The TV-guide in UK and Germany was also launched during 2018, where existing products were launched on new markets through the LAB operations.

During 2018, corporate governance was further improved

through the set up of the audit, nomination and remuneration committee, please see further information of the committee's work during 2018 in the Corporate Governance report.

2018 and beyond

Continued investments are expected during 2019 in IT and Infrastructure to support automation.

Launch of the Group's own white label casino Rapidi.com is expected during the first half of 2019.

Through the Group's innovation lab "the LAB" several new products are planned to be launched during 2019.

Risk management and exposures

One of the key risks being faced by the Group relates to acquisitions. As the market continues to mature it will become more difficult to acquire new high-quality intangible assets. Acquisitions might continue to become more expensive and the market more consolidated.

The remote gaming industry continues to face pressures from a regulatory standpoint and is subject to a high degree of political and regulatory risk. Changes to existing regulations in various jurisdictions might impact the ability of remote gaming operators, which are also the Group's customers, to operate in such markets and accordingly revenue streams from such customers may be adversely impacted. The Group may also be exposed to enforcement or regulatory action brought against any of its customers which could be extended to any third party having abetted the business of such remote gaming operators. Such events could have a material adverse effect on the Group's business. The Group continues to focus on expanding its number of customers as well as its current geographical customer base.

The Group operates in a newly emerging online gaming industry. Even if the Group is an affiliate marketing provider and not an igaming operator, the legislation concerning internet betting can directly or indirectly have a certain impact on the Group's operations. The Group monitors the legal situation within the EU, and if any

licenses or other kind of governing documentation would be needed, the Group would obtain the required license to continue operating in that jurisdiction. The Group is primarily exposed to the Nordic region, and a significant amount of revenue is generated from one country in that region. Reviews of gaming taxation laws are taking place in a number of EU jurisdictions. In Sweden the new regulation was implemented on 1 January 2019.

These uncertainties represent a risk for the Group's ability to develop and grow the business, as changes in legislation or enforcement practices could in worst case force the Group to exit markets, or result in financial sanctions or unexpected tax exposures.

As the Group continues to embark on its significant growth strategy, operational risk becomes more and more relevant. Key personnel retention is considered by the Board to be a key risk and the Group is doing its utmost to retain its existing personnel as well as recruiting highly talented individuals. This is being done through the continued investment in our Human Resources function, provision of constant training and employee development, offering an exceptional working environment and work experience and remunerating individuals fairly in line with their performance.

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.

RESULTS AND DIVIDENDS

The statement of comprehensive income is set out on page 55. No dividend has been declared during the year ended 31 December 2018. The directors propose that the balance of retained earnings amounting to € 17,948,362 should be carried forward to the next financial year.

EVENTS AFTER THE REPORTING PERIOD

On 1 March 2019, Raketechn has repaid the total outstanding debt of € 7.7 million on its previous loan facility.

DIRECTORS

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

Mr. Carl Oscar Christian Lundberg

Mr. Benkt Fredrik Svederman

Mr. Johan Per Carl Svensson

Mr. Erik Johan Sebastian Skarp

Ms. Annika Maria Billberg (appointed on 18 May 2018)

The Company's Articles of Association do not require any directors to retire.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Group as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as

adopted by the EU;

- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business as a going concern.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

On behalf of the board

JOHAN SVENSSON

Director

ERIK SKARP

Director

Registered office:
6, Paceville Avenue
St. Julians STJ 3109
Malta

15 April 2019



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Notes	2018 €	2017 €
ASSETS			
Non-current assets			
Goodwill	5, 6	344,359	-
Intangible assets	5	65,672,633	46,392,980
Property, plant and equipment	7	240,970	318,535
Deferred tax asset	13	-	89,768
Total non-current assets		66,257,962	46,801,283
Current assets			
Trade and other receivables	9	4,323,023	2,609,883
Cash and cash equivalents	10	7,525,649	3,099,917
Total current assets		11,848,672	5,709,800
Total assets		78,106,634	52,511,083
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	75,801	1,770
Share premium	11	39,386,685	999,980
Other reserves	12	1,253,540	1,204,672
Retained earnings		17,948,362	13,459,904
Equity attributable to owners of the company		58,664,388	15,666,326
Non-controlling interests		66,756	-
Total equity		58,731,144	15,666,326
LIABILITIES			
Non-current liabilities			
Borrowings	14	7,879,877	28,076,672
Deferred tax liability	13	837,683	-
Amounts committed on acquisition	15	4,039,170	585,699
Total non-current liabilities		12,756,730	28,662,371
Current liabilities			
Amounts committed on acquisition	15	3,045,605	1,332,478
Trade and other payables	16	3,573,120	5,967,268
Current tax liabilities		35	882,640
Total current liabilities		6,618,760	8,182,386
Total liabilities		19,375,490	36,844,757
Total equity and liabilities		78,106,634	52,511,083

The notes on pages 58 to 85 are an integral part of these financial statements.

The financial statements on pages 53 to 85 were authorised for issue by the board on 15 April 2019 and were signed on its behalf by:

Johan Svensson
DIRECTOR

Erik Skarp
DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	Notes	2018 €	2017 €
Total revenue	17	25,556,667	17,145,722
Direct costs relating to fixed fees and commission revenue		(2,141,625)	(858,685)
Employee benefit expense	19	(4,840,175)	(3,496,982)
Depreciation and amortisation	5, 7	(1,701,257)	(667,022)
IPO related costs		(1,503,453)	(186,686)
Other operating expenses	18	(4,176,070)	(3,122,744)
Total operating expenses		(14,362,580)	(8,332,119)
Operating profit		11,194,087	8,813,603
Finance costs	21	(6,401,394)	(2,738,111)
Profit before tax		4,792,693	6,075,492
Tax expense	22	(239,315)	(307,320)
Profit for the year - total comprehensive income		4,553,378	5,768,172
Profit attributable to:			
Equity holders of the Parent Company		4,707,207	5,768,172
Non-controlling interest		(153,829)	-
Earnings per share attributable to the equity holders of the parent during the year (expressed in euro per share)*			
Basic earnings per share*		0.15	0.24
Diluted earnings per share*		0.15	0.24

*By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, it was resolved to split the € 0.27 shares into shares of € 0.002 each. As a result, the comparative information has been restated to reflect the change in number of shares in issue following the share split.

The notes on pages 58 to 85 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital €	Share Premium €	Other Reserves €	Retained Earnings €	Total €	NCI €	Total Equity €
Balance at 1 January 2017		1,750	-	1,204,672	7,691,732	8,898,154	-	8,898,154
Comprehensive income								
Profit for the year		-	-	-	5,768,172	5,768,172	-	5,768,172
Transactions with owners								
Issue of share capital	11	20	999,980	(1,000,000)	-	-	-	-
Equity-settled share-based payments	12	-	-	1,000,000	-	1,000,000	-	1,000,000
Total transactions with owners		20	999,980	-	-	1,000,000	-	1,000,000
Balance at 31 December 2017		1,770	999,980	1,204,672	13,459,904	15,666,326	-	15,666,326
Comprehensive income								
Profit for the year		-	-	-	4,553,378	4,553,378	-	4,553,378
Transactions with owners								
Issue of share capital (Net of transaction costs)	11	74,031	38,386,705	(1,000,000)	-	37,460,736	-	37,460,736
Equity-settled share-based payments	12	-	-	120,410	-	120,410	-	120,410
Shareholder's Contribution		-	-	928,458	-	928,458	-	928,458
Transactions with non-controlling interests		-	-	-	(64,920)	(64,920)	66,168	1,248
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	588	588
Total transactions with owners		74,031	38,386,705	48,868	(64,920)	38,444,684	66,756	38,511,440
Balance at 31 December 2018		75,801	39,386,685	1,253,540	17,948,362	58,664,388	66,756	58,731,144

The notes on pages 58 to 85 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December	
		2018 €	2017 €
Cash flows from operating activities			
Profit before tax		4,792,693	6,075,492
Adjustments for:	26		
Depreciation and amortisation		1,701,257	667,022
Net finance costs		6,401,394	2,738,111
Equity-settled share based payment transactions		120,410	-
Loss on sale of property, plant and equipment		8,845	-
		13,024,599	9,480,625
Net income taxes paid		(194,470)	(26,261)
<i>Changes in:</i>			
Trade and other receivables		(1,646,625)	(1,563,488)
Trade and other payables		35,093	(3,159,561)
Net cash generated from operating activities		11,218,597	4,731,315
Cash flows from investing activities			
Acquisition of property, plant and equipment		(34,693)	(332,206)
Acquisition of intangible assets		(15,770,802)	(27,474,975)
Payment for acquisition of subsidiaries	6	(731,817)	-
Net cash used in investing activities		(16,537,312)	(27,807,181)
Cash flows from financing activities			
Net proceeds from drawdowns/(repayments) on borrowings		(22,627,000)	27,894,255
Proceeds from issue of share capital		36,263,922	-
Transactions with non-controlling interests		1,836	-
Interest paid		(3,894,311)	(1,775,694)
Net cash generated from financing activities		9,744,447	26,118,561
Net movements in cash and cash equivalents		4,425,732	3,042,695
Cash and cash equivalents at the beginning of the year		3,099,917	57,222
Cash and cash equivalents at the end of the year	10	7,525,649	3,099,917

The notes on pages 58 to 85 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Raketeck Group Holding PLC is a public limited company and is incorporated in Malta. The consolidated financial statements include the financial statements of Raketeck Group Holding PLC and its subsidiaries, (together, the “Group”). The standalone company financial statements of Raketeck Group Holding PLC are presented in a separate set of financial statements.

Comparative information relates to 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Raketeck 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 Raketeck Group Holding PLC. The company is referred to as Raketeck Group Holding PLC throughout these consolidated financial statements.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical

cost convention as modified by the revaluation of financial liabilities at fair value through profit or loss. The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Group’s accounting policies (see note 3 – Critical accounting estimates and judgements).

2.1.1 Standards, interpretations and amendments to published standards effective in 2018

In 2018, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group’s accounting period beginning on 1 January 2018. The new standards that came into effect have had limited impact on the Group’s financial position, profit and disclosures.

IFRS 9, ‘*Financial instruments*’, which the Group adopted on its mandatory effective date of 1 January 2018, addresses classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 also addresses hedge accounting but has no impact on the Group. The new standard also replaces the guidance in IAS 39, ‘*Financial instruments: Recognition and Measurement*’ that relates to classification and measurement of financial instruments.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification of investments in debt instruments under IFRS 9 depends on

the entity's business model and the contractual cash flow characteristics of the financial asset.

The Group's investments in debt instruments, which comprise trade and other receivables as well as cash and cash equivalents, were classified as 'Loans and receivables' under IAS 39 and were measured at amortised cost. Accordingly, while these financial assets have been reclassified from 'Loans and receivables' to 'Financial assets measured at amortised cost', their measurement at amortised cost under IFRS 9 is consistent with the Group's previous practice under IAS 39. The adoption of IFRS 9 has therefore not resulted in any material change in the gross carrying amount of these assets.

The requirements in IAS 39 in respect of the recognition and measurement of financial liabilities is largely retained in IFRS 9. Accordingly there have been no material changes in the measurement of the Group's financial liabilities.

IFRS 9 also introduces a new expected credit losses model, that replaces the former model which according to IAS 39 was based on incurred losses. The amendment impacts the Group only to the extent of trade and other receivables, and there has been no significant impact on the Group as a result of this amendment.

This standard is to be applied retrospectively, but since no material impact has been identified, no adjustments to comparative figures are required.

IFRS 15, '*Revenue from Contracts with Customers*', also came into effect on 1 January 2018. IFRS 15 introduces a five-step model to establish how and when revenue must be recognised. The standard specifies that revenue is to be recognised when a customer obtains control of a promised good or service (a 'performance obligation') and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

The Group primarily earns revenue in the term of commissions by attracting potential players to its domains or website content and by referring the potential players to operators in the iGaming sector. The Group only earns commissions from affiliate marketing agreements once an individual deposits money or places a bet with the operators. The Group also generates revenues by charging a fixed fee for listing and critically reviewing and/or advertising iGaming operators on the Group's websites.

The Group's affiliate marketing agreements give rise to variable consideration. Under IFRS 15, variable compensation is recognised in accordance with the Group's estimate of the amount of compensation to which it expects to be entitled in accordance with the contract. A constraint is however included in IFRS 15 to ensure that variable compensation is not recognised as income until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group's management has determined that:

- its affiliate marketing agreements comprise a series of distinct performance obligations. In respect of variable compensation linked to this series of distinct performance obligations, the Group recognises this income in the month in which its contractual right to invoice the iGaming operators is established; and
- each agreement to list and critically reviews and/or advertise iGaming operators on the Group's websites contains a single performance obligation that is satisfied over time, and revenue is accordingly recognised as income over the period of the agreement on a time proportion basis.

The Group has accordingly not been significantly impacted by the adoption of IFRS 15. This standard is to be applied retrospectively, but since no material impact has been identified, no adjustments to comparative figures are required.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2018. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the directors of the parent company are of the opinion that, with the exception of the below, there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Group will be impacted by *IFRS 16*.

As at the reporting date, the Group has non-cancellable operating lease commitments of € 0.6 million, see note 24. The Group expects to recognise right-of-use assets of € 0.6 million on 1 January 2019 and lease liabilities of € 0.6 million. The Group does not expect that *IFRS 16* will have a major impact on the net profit after tax.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

In the opinion of the directors of the Group, there are no other standards that are not yet effective and that

would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Principles of consolidation

2.2.1 Subsidiaries

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

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

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

2.2.2 Business combinations

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of *IFRS 3*. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred by the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred.

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

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

Business combinations between entities under common control, which do not fall within the scope of IFRS 3, are accounted for using the predecessor method of accounting. Under the predecessor method of accounting, assets and liabilities are incorporated at the predecessor carrying values, which are the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control and for which consolidated financial statements are prepared. When the controlling party does not prepare consolidated financial statements because it is not a parent company, the financial statement amounts of the acquired entity are used.

No new goodwill arises in predecessor accounting, and any difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity, is included in equity in a separate reserve. The financial

statements incorporate the acquired entity's results only from the date on which the business combination between entities under common control occurred.

Under both methods of accounting, upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

2.2.3 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Group's ability to control the subsidiary's financial and operating policies, as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.4 Group reorganisations

Reorganisations between group entities under common control are accounted for using the reorganisation method of accounting. Under the reorganisation method

of accounting, assets and liabilities are incorporated at the predecessor carrying values, which are the carrying amounts of assets and liabilities of the acquired entity as recognised and measured in that entity's pre-reorganisation financial statements. No goodwill arises in reorganisation accounting, and any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entity, is included in equity. The financial statements incorporate the acquired entity's full year results, including comparatives, as if the post-reorganisation structure was already in place at the commencement of the comparative period.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO and the board of directors.

The CEO and the board of directors considers the Group to consist of one single segment, both from a business perspective and a geographical perspective in line with IAS 8.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euro ("€"), which is the functional currency of the parent company and its subsidiaries and the Group's presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not re-translated at the end of the reporting period.

2.5 Intangible assets

2.5.1 Recognition and measurement

Acquired intangibles are analysed between website and domains, player databases, computer software and other intellectual properties.

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

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

Where the cost of acquisition includes contingent consideration, cost is determined to be the current fair value of the contingent consideration as determined on the date of acquisition. Any subsequent changes in estimates of the likely outcome of the contingent event are reflected in the statement of financial position. The cost of acquisition of intangible assets for which the consideration comprises an issue of equity shares

is calculated as being the fair value of the equity instruments issued in the transaction.

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

2.5.2 Amortisation of intangible assets

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

The estimated useful lives of intangible assets are as follows:

	Useful life
Websites and domains	Indefinite
Player databases	3 years
Computer software	3 years
Other intellectual property	3 years

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

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

2.6 Property, plant and equipment

2.6.1 Recognition and measurement

Items of property, plant and equipment are initially measured at cost; cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequently, they are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses on disposals of property and equipment are determined by comparing the proceeds with carrying amount and are recognised within 'other income/(expense)' in the statement of comprehensive income in the period of derecognition.

2.6.2 Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation

is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Their estimated useful lives are as follows:

	Useful life
Office equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements*	5 years

* Leasehold improvements are depreciated over the shorter of the lease term and the improvements' useful lives of 5 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

2.7 Impairment of non-financial assets

Non-financial assets with indefinite useful lives, comprising websites and domains, are reviewed at each reporting date to determine whether there is any impairment. The carrying amounts of the Group's non-financial assets with finite useful lives, as well as those with indefinite useful lives, are reviewed for impairment whenever there is an indication that the asset may be impaired. The asset's recoverable amount is estimated annually for intangible assets with indefinite useful lives and is also estimated for all non-financial assets if an indication of impairment exists.

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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

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

2.8 Financial assets

2.8.1 Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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

2.8.2 Recognition and derecognition

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

2.8.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

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

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit

or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.8.4 Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

2.8.5 Accounting policies applied until 31 December 2017

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

(a) Classification

Until 31 December 2017, the Group classified its financial assets as loans and receivables. The classification depended on the purpose for which the financial assets were acquired. Management determined the classification of its financial assets at initial recognition.

(b) Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

(c) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

(d) Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in note 4.1.

2.9 Trade and other receivables

Trade receivables are amounts due from operators in the iGaming, financial and media sector for transactions and services performed in the ordinary course of business (as described in note 2.18). They are presented as current assets unless collection is expected after more than one year. If not, they are presented as non-current assets.

Trade receivables are initially recognised at transaction cost and other receivables are recognised at fair value. Both are subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 2.8.4). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.10 Cash and cash equivalents

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

2.11 Share capital and share premium

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

2.12 Share-based payments

The Group strategy to pursue its objective includes the acquisition of intangible assets. Certain acquisitions have resulted in the agreement by the Group to partially

settle the purchase price through the transfer of shares in Rakotech Group Holding PLC to the sellers. The Group measures the acquired intangible assets at their fair value at the acquisition dates, and recognises an equivalent increase in the share-based payment reserve.

The related amounts previously recognised in the share-based payment reserve are credited to share capital (nominal value) and share premium when Rakotech Group Holding PLC issues new shares in settlement of the obligation to deliver shares to the sellers of the intangible assets.

2.13 Financial liabilities

IFRS 9 does not change the basic accounting model for financial liabilities under IAS 39. Two measurement categories continue to exist: Fair value through profit or loss (FVTPL) and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost. The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The Group's financial liabilities at FVTPL mainly relate to amounts committed on acquisitions. These financial liabilities at fair FVTPL are initially recognised at fair value as at the date of acquisition. The amounts payable in the future are discounted to present value as at the date of acquisition in line with the effective interest method. Subsequent changes in the fair value of amounts committed on acquisitions are reflected in the consolidated statement of financial position by adjusting intangible assets and amounts committed on acquisitions to reflect the present value of cash flows expected to become payable.

Other liabilities are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost.

The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

2.14 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, and subsequently measured in accordance with the policy described in note 2.13. On derecognition, any difference between the carrying amount and the redemption or settlement amount is recognised in profit or loss.

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

2.15 Trade and other payables

Trade payables comprise obligations to pay for services and goods that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.17 Current and deferred tax

The tax expense for the period comprises current and

deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

2.18 Revenue recognition

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

The Group's revenue is primarily derived from online and affiliate marketing; it consists of revenue generated in the form of commissions on players directed or referred to iGaming operators, as well as advertising fees charged to iGaming operators who want additional exposure on the Group's websites.

a. Commission income

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

<i>Revenue share</i>	When the Group enters into a revenue share arrangement it receives a share of the revenues that the iGaming operator has generated as a result of a referred player playing on the operator's site. Revenue is recognised in the month that it is earned by the respective operator.
<i>Cost per acquisition ('CPA')</i>	CPA deals are arrangements in which iGaming operators remit a one-time fee for each referred player who deposits money on the operator's iGaming site. CPA contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

b. Flat fees

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

All revenue generated from the various acquisitions and through the different marketing methodologies is being treated as one revenue segment in line with internal management reporting.

2.19 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.20 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.21 Employee benefits

2.21.1 Employer share incentive program

An employer share incentive program was introduced for certain key employees on 9 April 2018. Through this share incentive program, key employees are granted share options. Share-based compensation benefits are provided to employees via the value employee option plan. The market value and the price (option premium) have been determined using the Black-Scholes valuation model, the effect will be recognised over the vesting period which is of up to three years. The

share holder dilution can be maximum 2% for the full program (note 20).

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

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

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

2.22 Earnings per share

a. Basic earnings per share

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

b. Diluted earnings per share

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 except for:

3.1 Determination of whether acquisitions constitute asset acquisitions or business combinations

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

Management concluded that all purchase of affiliate marketing assets during 2017 are asset acquisitions except for the purchase of Shogun Media Limited (note 6). In each of these asset acquisition purchases, the Group has not acquired any processes, such as management processes, organisational structures, strategic goal-setting, operational processes or human and financial resource management. In this respect, management has determined that although it is possible for a business to have been acquired even if some processes have not been acquired, an acquisition of an asset or group of assets not accompanied by any associated processes is unlikely to meet the definition of a business. These purchases were therefore accounted

for as asset acquisitions, with the consideration allocated on a fair value basis to player databases and content and domains, as disclosed in note 5.

3.2 Impairment of intangible assets with an indefinite useful life

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, requiring assessment 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 assumptions are required to be made in respect of highly uncertain matters, including management's expectation of growth in EBITDA.

The Group prepares and approves management plans for its operations, which are used in the calculations. Having considered the recent timing of the Group's acquisitions, the Group's future plans, and the significant headroom in the recoverable amount in comparison to the carrying amount, management considers that the Group's intangibles assets are not impaired. Further disclosures on key assumptions are included in note 5.

3.3 Amounts committed on acquisition

Amounts committed on acquisition consist of contractual obligations resulting from the purchase of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments of performance-based amounts. The latter are further referred to as contingent considerations. The fair value is calculated on the expected cash outflow on each purchase agreement. Estimates of future cash flow relating to these contingent considerations is done by the Board at each acquisition of assets based of their

knowledge of the industry and by influences from the economic environment.

These contingent considerations are measured at fair value and is determined on the date of the acquisition and subsequently at each reporting date. The total amounts committed on acquisitions as at 31 December 2018 of € 7.1 million (€ 1.9 million) is contingent. As described in note 15, this amount is then classified into current and non-current.

4 FINANCIAL RISK MANAGEMENT

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

4.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. It mainly arises from cash and cash equivalents and contractual cash flows of debt investments carried at amortised cost.

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

	2018 €	2017 €
Cash and cash equivalents (note 10)	7,525,649	3,099,917
Trade receivables - gross (note 9)	1,866,361	2,717,319
Amounts due from other related parties (note 9)	17,670	46,061
Other receivables (note 9)	73,942	73,829
Accrued income (note 9)	2,095,885	18,836
Gross amount of loans and receivables	11,579,507	5,955,962
Loss allowance (note 9)	(109,406)	(390,804)
Maximum exposure to credit risk	11,470,101	5,565,158

4.1.1 Risk management

The Group has policies in place to ensure that it only deals with financial institutions with quality standing. As at 31 December 2018 and 2017, the Group's cash at bank was held with leading European financial institutions which have a credit rating of BBB or better as assessed by the international rating agency Standard and Poor's.

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

The Group manages credit limits and exposures actively and in practicable manner such that past due amounts receivable from customers are within controlled parameters. These receivables are assessed to determine whether there is objective evidence that an impairment loss has been incurred but not yet been identified. Any estimated impairment losses are recognised in a separate provision for impairment and are recognised in profit or loss within other expenses; subsequent recoveries of amounts previously written off are credited against other expenses. Receivables against which a provision has previously been recognised are subsequently written off against the provision when there is no expectation of recovering additional cash.

4.1.2 Impairment of financial assets

The Group has trade receivables and accrued income as the main type of financial assets that are subject to the expected credit loss model.

While cash and cash equivalents (Note 10) are also subject to the impairment requirements of IFRS 9, the Group banks only with financial institutions or payment intermediaries

with high quality standing or rating and the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 6 months before 31 December 2018 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information. On that basis, the loss allowance as at 31 December 2018 for trade receivables was determined to be € 109,406.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

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

4.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities which comprise borrowings and trade and other payables (including amounts committed on acquisition). Liquidity risk is monitored at a group level by ensuring that sufficient funds are available to each subsidiary within the Group.

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

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant. Additional information regarding amounts committed on acquisition is disclosed in note 15.

	Carrying amount	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years
	€	€	€	€	€
Group					
At 31 December 2018					
Borrowings (note 14)	7,879,877	-	196,877	7,683,000	-
Amounts committed on acquisition (note 15)	7,084,775	-	3,045,606	1,671,070	2,368,099
Amounts payables to related parties (note 16)	2,290,289	2,290,289	-	-	-
Other trade and other payables (note 16)	1,282,831	-	1,282,831	-	-
	18,537,772	2,290,289	4,525,314	9,354,070	2,368,099
At 31 December 2017					
Borrowings (note 14)	28,076,672	-	3,075,000	3,075,000	30,747,396
Amounts committed on acquisition (note 15)	1,918,177	-	1,332,478	240,000	345,699
Amounts payables to related parties (note 16)	4,499,769	4,499,769	-	-	-
Other trade and other payables (note 16)	1,467,499	-	1,467,499	-	-
	35,962,117	4,499,769	5,874,977	3,315,000	31,093,095

In addition to the above, on 20 December 2018, the Group entered into an agreement with Swedbank for a revolving credit facility of € 10 million which was unutilised at year end.

4.3 Market risk

4.3.1 Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective group company's functional currency. The Group's financial assets and financial liabilities are mainly denominated in euro, which is the functional currency of the main operating subsidiary within the Group. Accordingly, the directors of Raketech Group Holding PLC do not consider the Group to be significantly exposed to foreign exchange risk, and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

4.3.2 Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on fair values of financial assets and liabilities and future cash flows. The Group's main exposure to cash flow interest rate risk arises on its borrowings (note 14) which are subject to floating rates of interest. At year end, the impact of a shift in interest rate of 50 basis points on the Group's equity with all variables remaining constant would be that post-tax profits would increase or decrease by € 38,500 (€ 142,500). The directors consider the interest rate risk arising on other balances to be immaterial.

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

4.4 Capital risk management

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

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

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

4.5 Fair values of financial instruments

At 31 December 2018 and 2017, the carrying amounts of cash at bank, receivables, borrowings, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

5 INTANGIBLE ASSETS

	Websites and domains €	Player databases €	Other intellectual property €	Computer Software €	Goodwill €	Total €
At 1 January 2017						
Cost	16,482,848	1,095,864	-	-	-	17,578,712
Accumulated amortisation	-	(45,035)	-	-	-	(45,035)
Net book amount	16,482,848	1,050,829	-	-	-	17,533,677
Year ended 31 December 2017						
Opening net book amount	16,482,848	1,050,829	-	-	-	17,533,677
Additions	28,447,780	705,993	-	319,379	-	29,473,152
Amortisation charge	-	(531,798)	-	(82,051)	-	(613,849)
Closing net book amount	44,930,628	1,225,024	-	237,328	-	46,392,980
At 31 December 2017						
Cost	44,930,628	1,801,857	-	319,379	-	47,051,864
Accumulated amortisation	-	(576,833)	-	(82,051)	-	(658,884)
Net book amount	44,930,628	1,225,024	-	237,328	-	46,392,980
Year ended 31 December 2018						
Opening net book amount	44,930,628	1,225,024	-	237,328	-	46,392,980
Additions	15,112,095	1,857,030	3,519,997	9,872	-	20,498,994
Additions acquired through business combination (note 6)	217,346	6,769	162,732	-	344,359	731,206
Amortisation charge	-	(982,261)	(455,726)	(168,201)	-	(1,606,188)
Closing net book amount	60,260,069	2,106,562	3,227,003	78,999	344,359	66,016,992
At 31 December 2018						
Cost	60,260,069	3,665,656	3,682,729	329,251	344,359	68,282,065
Accumulated amortisation	-	(1,559,094)	(455,726)	(250,252)	-	(2,265,072)
Net book amount	60,260,069	2,106,562	3,227,003	78,999	344,359	66,016,992

5.1 Intangible assets – amortisation and impairment

Management has concluded that the acquired website and domains are a single cash-generating unit for the purposes of IAS 36. This conclusion is based on the fact that the performance and cash flows of the different assets is dependent on those generated by other assets and the Group monitors and manages its operations as one business unit.

The directors have evaluated website and domains for impairment as at 31 December 2018 and are of the view that the carrying amount of domains amounting to € 60,260,069 (€ 44,930,628) is recoverable on the basis of the cash flows generated from these assets being in line, or exceeding, the estimated projections made prior to the acquisitions. Consequently, the directors have assessed that there is no need to impair the acquired domains and websites.

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

- the cash flow projections reflecting actual income from operations in 2018;
- the expected cash flows for 2019 – 2023 (2018 – 2022);
- an annual growth rate of 1% (1%) beyond these dates; and
- a pre-tax discount rate of 13.4% (14.7%).

The discount rate is based on the Group's pre-tax weighted average cost of capital. Management's method for determining the values inherent to each significant

assumption is based on experience and expectations regarding the performance of the market. The directors are satisfied that the judgements made are appropriate to the circumstances relevant to these assets and their cash-generation.

The Group concluded that the recoverable amount is well in excess of the carrying amount of the said assets and, accordingly, a sensitivity analysis is not disclosed.

6 BUSINESS COMBINATION

On 6 June 2018, the Group entered into a share transfer agreement with Upside Media Limited (the "Sellers"), an unrelated party, to acquire 51% of Shogun Media Limited's shares. Shogun Media Limited specialises in marketing and referring visitors to other websites. The acquisition complements the Group's existing strategy for paid media. The Group gained control and consolidated the acquired operations as from 6 June 2018. The total purchase consideration for 51% of the shares amounted to € 731,817. No revenue was generated in Shogun Media Limited prior to the acquisition as the legal entity was established in connection with the acquisition.

Purchase Consideration	€
Cash paid	731,817
	Fair value

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

Receivables	611
Websites and domains (Note 5)	217,346
Player databases (Note 5)	6,769
Other intellectual property (Note 5)	162,732
Fair value of net identifiable assets acquired	387,458
Goodwill	344,359
Net assets acquired	731,817

The goodwill is predominantly attributable to future revenue synergies, which are based on the opportunity to reach new players through access to the know-how and human capital.

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

interests at its proportionate share of the acquired net identifiable assets. The non-controlling interest for Shogun Media Limited amounted to € 588.

The acquired business contributed losses of € 155,925 and revenue of € 98,676 for the Group for the period from 6 June to 31 December 2018.

7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements €	Office equipment €	Furniture and fixtures €	Total €
At 1 January 2017				
Cost	-	53,531	13,641	67,172
Accumulated depreciation	-	(24,290)	(3,380)	(27,670)
Net book amount	-	29,241	10,261	39,502
Year ended 31 December 2017				
Opening net book amount	-	29,241	10,261	39,502
Additions	39,569	245,204	47,433	332,206
Depreciation charge	(2,643)	(46,453)	(4,077)	(53,173)
Closing net book amount	36,926	227,992	53,617	318,535
At 31 December 2017				
Cost	39,569	298,735	61,074	399,378
Accumulated depreciation	(2,643)	(70,743)	(7,457)	(80,843)
Net book amount	36,926	227,992	53,617	318,535
Year ended 31 December 2018				
Opening net book amount	36,926	227,992	53,617	318,535
Additions	-	17,464	4,252	21,716
Disposals	-	(4,212)	-	(4,212)
Depreciation charge	(9,151)	(73,549)	(12,369)	(95,069)
Closing net book amount	27,775	167,695	45,500	240,970
At 31 December 2018				
Cost	39,569	311,987	65,326	416,882
Accumulated depreciation	(11,794)	(144,292)	(19,826)	(175,912)
Net book amount	27,775	167,695	45,500	240,970

8 PARTICIPATION IN GROUP COMPANIES

The Group had the following subsidiaries at 31 December 2018 and 2017:

Subsidiaries	Registered office	Class of shares held	“Percentage of shares held directly by the parent”		“Percentage of shares held by the Group”	
			2018	2017	2018	2017
Raketeck Group Limited	6, Paceville Avenue, St. Julians STJ 3109 Malta	Ordinary shares	100.00%	100.00%	100.00%	100.00%
Gamina Limited (Formerly known as - Enovator Online Media Limited)	6, Paceville Avenue, St. Julians STJ 3109 Malta	Ordinary shares	-	-	50.08%	100.00%
Tv Sports Guide Limited (Formerly known as - Turtle Gaming Group Limited)	6, Paceville Avenue, St. Julians STJ 3109 Malta	Ordinary shares	-	-	50.08%	100.00%
Shogun Media Limited	6, Paceville Avenue, St. Julians STJ 3109 Malta	Ordinary shares	-	-	51.00%	-

All the above subsidiaries operate within the iGaming sector and are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

9 TRADE AND OTHER RECEIVABLES

	2018 €	2017 €
Current		
Trade receivables – gross	1,866,361	2,717,319
Loss allowance	(109,406)	(390,804)
Trade receivables - net	1,756,955	2,326,515
Amounts due from related parties	17,670	46,061
Indirect taxation receivable	-	4,323
Other receivables	73,942	73,829
Prepayments and accrued income	2,474,456	159,155
	4,323,023	2,609,883

Amounts due from related parties are unsecured, interest-free and have no fixed date for repayment. Further detail on the performance of trade receivables is disclosed in note 4.1.

10 CASH AND CASH EQUIVALENTS

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

	2018 €	2017 €
Cash at bank	7,525,649	3,099,917

In 2018, cash and cash equivalents include restricted cash of € 108,190.

11 SHARE CAPITAL

Raketeck Group Holding PLC was incorporated on 29 September 2016 with an issued share capital of 35,000 shares with a nominal value of € 0.05 per share. These

shares were subsequently split into 5 shares of € 0.01 per share for each share previously held; the total number of shares in issue accordingly increased to 175,000. On 16 June 2017, a further 1,971 new shares in Rakotech Group Holding PLC were issued with a nominal value of € 0.01 per share and a share premium of € 507.35 per share.

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

By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, it was resolved to split the € 0.27 shares into shares of € 0.002 each. On 29 June 2018, Rakotech Group Holding PLC was successfully listed on Nasdaq First North Premier with an increase

of 13,333,333 shares, leading to a new outstanding amount of 37,900,633 shares as at 29 June 2018. No other changes have taken place subsequent to this date.

Details of Rakotech Group Holding PLC's share capital as at 31 December 2018 and 2017 are as follows:

	31 Dec 2017
	€
Authorised	
500,000 ordinary shares of € 0.01 each	5,000
Issued and fully paid	
176,971 ordinary shares of € 0.01 each	1,770
	31 Dec 2018
	€
Authorised	
75,000,000,060 ordinary shares of € 0.002 each	150,000,000
Issued and fully paid	
37,900,633 ordinary shares of € 0.002 each	75,801

12 OTHER RESERVES

The Group's other reserves comprise the following:

	Share-based payments reserve	Other reserve	Total
	€	€	€
At 1 January 2017	1,000,000	204,672	1,204,672
Equity-settled share based payments	1,000,000	-	1,000,000
Issue of shares	(1,000,000)	-	(1,000,000)
At 31 December 2017	1,000,000	204,672	1,204,672
At 1 January 2018	1,000,000	204,672	1,204,672
Equity-settled share based payments (Note 20)	120,410	-	120,410
Issue of share capital (Net of transaction costs)	(1,000,000)	-	(1,000,000)
Shareholder's Contribution	-	928,458	928,458
At 31 December 2018	120,410	1,133,130	1,253,540

The Group's share-based payments reserve represents the value of shares committed to third parties as partial settlement of the Group's acquisition of intangible assets, but for which transfer of the shares is outstanding as at the end of the reporting period.

The Group entered into an agreement with a third party during the fiscal year ended 31 December 2017, through

which the Group contractually agreed that an amount of € 1,000,000 (denominated in SEK) would also be settled through the transfer of shares in Raketech Group Holding PLC. The amount of shares to be delivered to the sellers was established in the contract, which was equivalent to € 1,000,000 divided by the value per share as determined on the acquisition date. These shares were delivered on 28 April 2018.

The Group's other reserve arose upon the reorganisation through which Raketech Group Holding PLC was interposed as the new parent company of Raketech Group Limited. The amount of € 204,672 represents the excess of Raketech Group Limited's acquisition-date equity (excluding retained earnings) over the consideration paid by Raketech Group Holding PLC.

During 2018, part of the related party liabilities was waived and converted into shareholder's contribution within other reserves of € 928,458.

The Group's reserves are not distributable.

13 DEFERRED TAX

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

The movement in deferred tax balances is analysed as follows:

	Balance at 1 January	Recognised in profit or loss	Balance at 31 December
	€	€	€
31 December 2017			
Deferred tax assets			
Unremitted earnings of subsidiary	(687,815)	-	(687,815)
Unutilised tax losses	-	(413,410)	(413,410)
Temporary differences on provision for impairment of receivables	-	(19,533)	(19,533)
	(687,815)	(432,943)	(1,120,758)
Deferred tax liabilities			
Temporary differences on amortisation of intangible assets	290,727	740,263	1,030,990
Net deferred tax (asset) / liability	(397,088)	307,320	(89,768)
31 December 2018			
Deferred tax assets			
Unremitted earnings of subsidiary	(687,815)	687,815	-
Unutilised tax losses / Temporary differences on provision for impairment of receivables	(432,943)	(702,968)	(1,135,911)
	(1,120,758)	(15,153)	(1,135,911)
Deferred tax liabilities			
Temporary differences on amortisation of intangible assets	1,030,990	942,604	1,973,594
Net deferred tax (asset) / liability	(89,768)	927,451	837,683

14 BORROWINGS

	2018 €	2017 €
Non-current		
Third party borrowings	7,879,877	28,076,672

During 2018, the Group drew down loans from third parties with a nominal value of € 8.2 million to bring total borrowings to € 38.2 million as at 30 June 2018. As at 6 July 2018, € 15.0 million was repaid leading to a borrowing amount of € 23.2 million as at 30 September 2018 (€ 30.0 million at 30 September 2017). An additional amount of € 15.5 million was repaid to Ares Management on 3 October 2018.

Finance costs of € 6.4 million during 2018 were impacted by the accelerated unwinding of the previously capitalised transaction expenses of € 1.3 million as a result of the early repayment of the long-term interest-bearing liability of € 30.5 million to Ares Management during 2018, and by administrative fees of € 0.6 million linked to the same repayment.

As at 31 December 2018 outstanding loans amounted to € 7.7 million (€ 28.1 million at 31 December 2017) and accrued interest expenses € 0.2 million leading to a total outstanding debt to Ares Management of € 7.9 million as at 31 December 2018. Transaction expenses have been recognised as a reduction of the borrowings in accordance with the Group's accounting policy. All borrowings bear interest at variable rates and mature three years after each tranche is utilised. Collateral for the loan consists of the underlying acquired assets. The loans bear a floating rate coupon of Euribor 1m + 9.25%. Euribor 1m is subject to a floor of 1%.

The contractual terms of this loan require Raketeck Group Holding PLC to pledge its entire shareholding in Raketeck Group Limited to the lenders as collateral. The documentation confirming the pledge was filed by the Group with the Registry of Companies in Malta

on 27 February 2017 and remained in place as at 31 December 2018.

The pledge towards Ares Management was released on 1 March 2019 and the same shares were re-pledged towards Swedbank on the same day following the agreement entered into on 20 December 2018 for a revolving credit facility of € 10 million. As at 31 December 2018, the revolving credit facility was unutilised.

	2018 €	2017 €
Non-current		
Amounts committed on acquisition	4,039,170	585,699
Current		
Amounts committed on acquisition	3,045,605	1,332,478
	7,084,775	1,918,177

15 AMOUNTS COMMITTED ON ACQUISITION

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

During the full year of 2018, the additional amounts committed on acquisitions relates to the acquisition of the assets of Mediaclever Sverige AB and the acquisition of the affiliate sites of Casinofeber. The earn-out conditions relating to the casino affiliate sites of Casinofeber were amended as at 17 September 2018 and the earn-out period was prolonged to 2023. The contingent consideration related to Casinofeber

is uncapped. Management's best estimate of the total contingent consideration for these assets amounted to € 7.1 million as at 31 December 2018 and has been recognised in the consolidated statement of financial position.

16 TRADE AND OTHER PAYABLES

	2018 €	2017 €
Current		
Trade payables	228,568	186,481
Amounts owed to other related parties	2,290,289	4,499,769
Indirect taxes	158,618	66,598
Other payables	106,665	8,067
Accruals and deferred income	788,980	1,206,353
	3,573,120	5,967,268

Included within trade and other payables as at 31 December 2018 were amounts due to two related parties amounting to € 2.3 million (€ 4.5 million at 31 December 2017) which mature without interest, have no fixed repayment date and fall due for repayment on demand. An agreement with one of the related parties has been reached during the first quarter of 2019 to waive the amount of € 2,281,714.

17 REVENUE

The Group attracts end-users and generates revenue by generating organic traffic through search engine optimisation, including acquisitions.

All revenue generated from the various acquisitions and through the different marketing methodologies is being treated as one revenue segment in line with internal management reporting.

	2018 €	2017 €
Revenue	25,556,667	17,145,722
Commissions	22,017,684	13,758,134
Flat fees	3,538,983	3,387,588

18 OTHER OPERATING EXPENSES

The Group's other operating expenses comprise the following:

	2018 €	2017 €
Other staff costs	108,416	58,522
IT services	721,476	511,270
Consultancy services	1,697,177	1,288,460
Professional fees	386,501	257,478
Rent	348,914	206,990
Travelling and entertainment	262,159	188,388
Write offs	337,457	-
Loss allowance	109,406	390,804
Other expenses	204,564	220,832
	4,176,070	3,122,744

Auditor's fees

Fees (exclusive of VAT) charged by the auditor for services rendered during the financial years ended 31 December 2018 and 2017 relate to the following:

	2018 €	2017 €
Annual statutory audit	80,292	50,500
Other assurance services	35,800	8,750
Tax advisory and compliance services	4,800	11,400
Other non-audit services	219,482	36,000
	340,374	106,650

19 EMPLOYEE BENEFIT EXPENSE

	2018 €	2017 €
Wages and salaries	4,455,983	3,316,489
Social security costs	263,782	180,493
Share-based payments	120,410	-
	4,840,175	3,496,982

The average number of persons employed during the year:

	2018	2017
Management	6	6
Administration and operating	78	83
	84	89

20 SHARE-BASED PAYMENTS

The Group has implemented a share-based incentive programme where certain employees and consultants within the Group can be allotted up to 491,346 option rights free of charge, corresponding to, in total a maximum of 491,346 new shares and a dilution amounting to approximately 1.3 percent.

The options are offered in two tranches: the first ('Tranche I') comprises 20 percent and the second ('Tranche II') comprises 80 percent of the total amount of options in the programme. The participants of the share-based incentive program had the possibility to exercise the Tranche I options until 29 December 2018, but no participant exercised, resulting in that all Tranche 1 options lapsed.

Following the lapse of the Tranche 1 options the maximum issue of new shares that can take place is 393,077 and the theoretical dilution of the share-based incentive program is approximately 1.04 percent.

The assessed fair value at grant date of options granted during the year ended 31 December 2018, was € 0.82 per option. The fair value at grant date was determined using the Black & Scholes model that considers the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk free interest rate for the term of the option and the correlations and volatilities of peer group companies.

The model inputs for options granted during the year ended 31 December 2018 included:

- acquired options, that have not lapsed, are exercisable six months after 29 June 2020
- exercise price: Tranche I: € 3.66 per share (all options have lapsed), Tranche II: SEK 30 per share
- grant date: 9 April 2018
- expiry date: 29 December 2020
- share price at grant date: N/A

f. expected price volatility of the Company's shares: 45%

g. risk-free interest rate: 1.34 %

The impact of the above on the income statement and other reserves for 2018 amounts to € 120,410.

The recipients of the offer were 17 key employees throughout the Group, for a total of 393,071 options (491,338 options before Tranche 1 lapsed).

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

21 FINANCE COSTS

	2018 €	2017 €
Interest cost on borrowings and similar expenses	6,401,394	2,738,111

22 TAX EXPENSE

The tax charge for the year comprises the following:

	2018 €	2017 €
Current tax expense	35	-
Deferred tax expense	239,315	307,320
	239,350	307,320

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

	2018 €	2017 €
Profit before tax	4,792,693	6,075,492
Tax on profit at 5%	239,635	303,775
Tax effect of: Other differences	(320)	3,545
Tax expense	239,315	307,320

23 EARNINGS PER SHARE

Basic earnings per share

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

	2018 €	2017 €
Profit attributable to owners of the parent	4,553,378	5,768,172
Weighted average number of ordinary shares in issue	31,145,062	23,770,071

Diluted earnings per share

By virtue of a resolution approved during the Annual General Meeting held on 18 May 2018, it was resolved to split the € 0.27 shares into shares of € 0.002 each. As a result, the comparative information has been restated to reflect the change in number of shares in issue following the share split.

	2018 €	2017 €
Profit attributable to owners of the parent	4,553,378	5,768,172
Weighted average number of shares after dilution	31,504,317	23,770,071

24 COMMITMENTS

The Group leases office premises under a contract which was initially entered into for a five-year lease term commencing on 1 November 2016. Nevertheless, the Group may terminate the lease on the third and the fourth anniversaries from the commencement of the lease. This lease is classified as an operating lease.

The future aggregate minimum lease payments (excluding indirect taxation) that are unavoidable under these operating leases are as follows:

	2018 €	2017 €
No later than 1 year	205,281	219,142
Later than 1 year and no later than 5 years	397,771	603,052
	603,052	822,194

25 RELATED PARTY TRANSACTIONS

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

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

	2018 €	2017 €
Revenue	1,361,127	802,392
Expenses		
Compensation (including salaries, consultancy fees and recharges from a related entity) including fees to executive management and directors, and rental fees	1,836,924	1,385,000

During 2018, related party liabilities of € 2,000,000 were partly converted to equity and part waived, the latter resulting in a capital contribution (note 12).

26 CASH FLOW INFORMATION

Significant non-cash transactions

The Group has acquired a number of assets throughout the current and the comparative period. Note 12 includes details of any acquisitions and related party liabilities for which it was agreed that settlement would not be paid in cash.

Net debt reconciliation

Movements in the Group's liabilities arising from financing activities, comprising third party loans (note 14), are set out below:

	2018 €	2017 €
At 1 January	28,076,672	-
Proceeds from drawdowns and new issues, net of transaction costs	8,183,000	27,894,255
Amortisation of transaction costs (inclusive of accrued interest)	2,120,205	182,417
Repayment	(30,500,000)	-
At 31 December	7,879,877	28,076,672

27 COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures disclosed in the main components of these consolidated financial statements (including the notes to the consolidated financial statements) have been reclassified to conform with the current years presentation for the purpose of fairer presentation.

INDEPENDENT AUDITOR'S REPORT



To the Shareholders of Rakotech Group Holding PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion:

- Rakotech Group Holding PLC's Group financial statements (the "financial statements") give a true and fair view of the Group's financial position as at 31 December 2018, and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Rakotech Group Holding PLC's financial statements, set out on pages 54 to 85, comprise:

- the Consolidated statement of financial position as at 31 December 2018;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the content included on pages 4 to 47 which includes among others the CEO foreword and the Corporate Governance Report, as well as the Directors' Report and the Definitions and Information to Shareholders sections (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the directors' report.

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

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Other matters on which we are required to report by exception

We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers

78, Mill Street
Qormi
Malta

Romina Soler
Partner
15 April 2019

DEFINITIONS

KEY RATIOS

ADJUSTED EBITDA – EBITDA adjusted for IPO expenses.

ADJUSTED EBITDA MARGIN – Adjusted EBITDA as a percentage of total revenue.

ADJUSTED OPERATING MARGIN – Operating margin adjusted for IPO expenses.

ADJUSTED OPERATING PROFIT – Operating profit adjusted for IPO expenses.

EBITDA – Operating profit before depreciation, amortisation and impairment.

EBITDA MARGIN – EBITDA as a percentage of revenue.

OPERATING PROFIT – Profit before financial items and taxes.

OPERATING MARGIN – Operating profit as a percentage of revenue.

ALTERNATIVE KEY RATIOS

NDC (NEW DEPOSITING CUSTOMER) - A new customer placing a first deposit on a client's website.

ORGANIC GROWTH - Revenue growth rate adjusted for acquired portfolios and products. Organic growth includes the growth in existing products and the revenue growth related to acquired portfolios and products post acquisition.

REVENUE GROWTH - Increase in revenue compared to the previous accounting period as a percentage of revenue in the previous accounting period.

TRAFFIC - Relates to the number of visitors/users of Raketech's assets.

INFORMATION TO SHAREHOLDERS

Annual General Meeting

The Annual General Meeting of Raketech Group Holding Plc will be held on Wednesday, May 8, 2019 at 09.30 a.m. CET at the premises of Advokatfirman Vinge, Stureplan 8, Stockholm Sweden. The notification was made through an advertisement placed in the Swedish national daily business-paper Dagens Industri as well as through a press release and the company's web page.

The notice and other information in preparation for the Annual General Meeting are available at www.raketech.com.

Financial information 2019

8 MAY

**ANNUAL GENERAL
MEETING 2019**

22 MAY

**INTERIM REPORT
JANUARY-MARCH**

21 AUG

**INTERIM REPORT
JANUARY-JUNE**

21 NOV

**INTERIM REPORT
JANUARY-SEPTEMBER**

Additional information

Financial reports are published in Swedish and English. The reports and other information from the company are published on the Group's website www.raketech.com.

Please visit our website, www.raketech.com, which, in addition to a broad presentation of the company, offers an in-depth investor relations section.

Shareholder contact

Andreas Kovacs, CFO

Scott Collins, Head of Communications & Corporate Responsibility

E-mail: investor@raketech.com

This Annual Report can be ordered in printed format via investor@raketech.com or downloaded as a pdf via www.raketech.com.



RaketeCH Group Holding PLC

6 Paceville Avenue
St Julians, STJ3109
Malta

contact@raketech.com

Condensed consolidated financial position

	2018	2017	2016
Assets			
Non-current assets			
Goodwill	1,000	1,000	1,000
Intangible assets	-	-	-
Property, plant and equipment	1,000	1,000	1,000
Deferred tax assets	-	-	-
Total non-current assets	2,000	2,000	2,000
Current assets			
Trade and other receivables	1,000	1,000	1,000
Cash and cash equivalents	1,000	1,000	1,000
Total current assets	2,000	2,000	2,000
TOTAL ASSETS	4,000	4,000	4,000
Equity & Liabilities			
Capital and reserves			
Share capital	1,000	1,000	1,000
Other reserves	1,000	1,000	1,000
Retained earnings	2,000	2,000	2,000
Total equity	4,000	4,000	4,000
Liabilities			
Non-current liabilities			
Borrowings	-	-	-
Deferred tax liability	-	-	-
Amounts committed on acquisition	-	-	-
Total non-current liabilities	-	-	-
Current liabilities			
Amounts committed on acquisition	-	-	-
Trade and other payables	-	-	-
Current tax liabilities	-	-	-
Total current liabilities	-	-	-
TOTAL LIABILITIES	-	-	-
TOTAL EQUITY AND LIABILITIES	4,000	4,000	4,000