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Raketech

Q3 2020



Prepared Remarks



Good morning and welcome. My name is Oscar Milbach. I'm the Group CEO. Today, I'm going to walk you through the highlights from our Q3 2020 report. And to present our numbers, our Group CFO, Mans Walborn, is as always also here.



With that said, let's jump straight into the agenda. Slide 3, please. The agenda hasn't changed much since last time. And before we will start and as before, we will start with some key highlights and then move on to the financial details. As you might have noticed, last week, we announced an acquisition targeting the U.



S. And therefore, I will, during the quarterly highlights section of today's presentation, steal a few minutes of your time to walk you through the specifics of that. And once Mans has gone through the financial details, I will summarize today key takeaways and also very quickly say a few words about the nearest future. Of course, as always, there will be room for questions at the very end. We'll aim for the presentation to take roughly 30 minutes.



Let's get started. Slide 4, please. So this slide highlights our most important KPIs, which you might recognize from previous presentations, starting with the circle to your very left, our revenues for the Q3 amounted to EUR 7,400,000. This equals an annual growth rate of close to 24% and an increase since Q2, which is over 5%. A fair portion of the growth is related to the LEAD Republic acquisition made earlier this year.



But with that said, I'm happy to be able to conclude that our organic annual growth, as shown in the second right circle, reached 3.2% and growth quarter over quarter 5.1%. This is a strong delivery, especially considering that sports revenues still are on very low levels compared to pre corona and that the temporary re regulations of the Swedish market has made many players leave for the unregulated alternatives. With regards to EBITDA, as shown in the second circle from your left, we reached EUR 2,900,000 due to our increased investments into R and D and expansion. This is perhaps slightly higher than anticipated. On high level, this can be explained by the fact that we have stabilized our underlying operational processes in such a way that additional revenues also in normal cases translates into increased EBITDA.



And as Q3 came in slightly better in terms of revenues than projected, This then subsequently translates very nicely into EBITDA. Mans will, in his section of the presentation, run you through the details of this a little further. As you can see in the far right circle, our NDC intake continued to be strong. And just as with previous quarter, the substantial increase year over year is primarily relating to Lydropublic. As explained previously, values per player within this business is, however, lower than within our more traditional areas, which also explains why the 95% increase in NDCs is not directly translatable into revenues.



The quarterly growth, however, is relating not only to Lid Republic, but also to the fact that the new Swedish regulations that came into place on July 2 increased the number of active player accounts on the market. At the same time, and this is important to keep in mind, the total value of the Swedish market decreased as a result of the black market taking market share, which is evident when looking at our split between CPA revenues and rev share revenues. Mans will give you more details on this matter in just a few minutes. October revenues amounted to EUR 2,600,000 which is strong. However, please bear in mind that Q4 is normally a strong casino season.



So even if SEK 2,600,000 in revenues is a confident start, it is in line with our own expectations. Next slide please, on that slide. In our Q2 presentation, I explained that the current Swedish regulatory landscape is a bit tricky. This is due to the fact that the Swedish government decided to impose temporary regulations with the purpose of mitigating problem gambling from increasing during the COVID-nineteen outbreak. Despite that basically all organizations that were invited to give their say on the proposed new regulations pointed to the risk of lower channelization, The legislation was, as you know, passed on July 2 this year.



Unfortunately, with the obvious side effect that many players since then have chosen to move their gambling activities to outside of the regulated and safe environment. As a matter of fact, according to numbers from SPEER 3, which is a Swedish helpline for problem gamblers, 7 out of 10 calls for help in 2020 came from individuals already self excluded from the licensed market. This sample data in this case indicates that 70% of gambling problems stem from the black market, which is the number in the circles to your right. With that said, the effect on regtech has so far been fairly mild. The reduced total market possible to address is, of course, a challenge, in particular as we have chosen not to work with unlicensed operators.



However, the fact that many players now seek to open multiple accounts has, on the other hand, to some extent, increased our revenues from CPA. But 1st and foremost, having a performance based pricing model and a very solid position on the Swedish market has been our strongest defense during these times. And having a competitive offering in terms of efficient marketing is what I believe will ensure we can continue to be successful even on challenging markets such as the Swedish. With regards to sports betting, we are slowly but safely seeing a return. Most noticeable is the activity within existing databases, which has resulted in a quarterly upswing from 8% to 11% of total revenues relating to sports.



With regards to traffic to our sports assets, which basically is equivalent to the user interest for our services and our content, we have during Q3 been able to see a significant uplift from the previous quarter on some assets as much as well above 200% as in the case of TLM Merchant in Sweden, which is the number highlighted in the circle to your right. However, traffic numbers are still not fully back to levels pre corona, which also gives you an idea on just exactly how low activity was in the beginning of the summer. The large traffic increase quarter over quarter brings me comfort that revenues will return back to normal. It's just a matter of time. Slide 6, please.



As you might recall, I previously stated that 2020 is the year when the U. S. Shifts from being a strategic target to strategic market for Rytec. Putting pride into being a man of my words, I'm therefore a little extra excited to be able to conclude that we starting from Q4 this year will be able to count the U. S.



As a strategic market. And as you can imagine, our main focus during Q3 has been the U. S. From operations, product development, sales and of course also M and A. But rest assured, we have also delivered on many other projects just as always, but our main focus has, as said, been specifically the U.



S, which is also why this presentation naturally centered to a large extent around this. And with that said, many of the important pieces of the puzzle that we have been designing came into place in the Q3. And to mention a few, I want to highlight that we now are licensed to operate in 7 states. Our howtobets.com asset has, as projected, delivered its first few NDCs, and we have launched a series of campaign sites with paid traffic as foundation already delivering NDCs. As a proof of our delivery oriented and scalable central core operations, we furthermore just recently launched tvsportsguide.com, which is a full blown American version of the in Scandinavia and other parts of Europe so popular TV Sports Guide family.



We are still in early days and are continuously experimenting to find the most efficient ways of scaling all these assets in a good way. And revenues coming from these assets are therefore, at this point, insignificant from a group revenue perspective. But please note that this is, however, according to plan. Besides all of this, we have, as you might have noticed, also acquired americanjanver.com, which is perhaps the most exciting news with regards to the U. S.



At this time. The groundwork was done in Q3 beginning of Q4 with revenues to be added as from November 1. With this move, we've managed to put RaefTech on the important American iGaming map. And as I mentioned in the beginning of this presentation, I've therefore also included a few more slides about American gambler in particular later on in this presentation. But before we move on to American gambler, I want to also quickly comment on another big thing that we just recently delivered, the divestment of our finance vertical.



I'm a strong believer that to run a modern and complex company like Raiktik, we really need to be nerds, nerds not in terms of not only in terms of being the experts in what we deliver to our customers with regards to marketing solutions, but also nerds in terms of knowing the business in which our customer, the operator operates within. If we get this right, we would be able to find smarter and more efficient solutions to marketing than our competition that satisfies both our customers' and the users' needs. And in order to be successful, I'm convinced reducing complexity to a minimum and ensuring we focus on the right things is the only way forward. But besides reducing complexity, a positive side effect of the divesting is that we also get extra ammunition to execute on our M and A agenda, which still is highly prioritized to accelerate growth and geographical expansion, all very much in line with our already communicated strategy. Taking into account the operational cash flow and the divesting sum minus the initial purchase price, the divesting means that we are delivering a return well above 2 times the initial investment.



Next slide please, and that will be Slide 7. So now a few words about the acquisition of American Gambler. We are, as you know, constantly and continuously screening for acquisition objects. And normally, we have a few dialogues ongoing at all times. It is, however, very important to us that if we decide to make a move, the deal must be long term.



It needs to tick strategic boxes and there must be industrial logic and commercial mutual leverage to gain. The American Gambler asset is ticking most of these boxes, so please allow me to explain how and why that is. American Gambler is a sports focused asset, which is in line with our strategy to grow within verticals outside of casino. Furthermore, it is a U. S.



Asset, which we have identified as a strategically important market for us, both in terms of market potential, but also in terms of ensuring we have a wide geographical footprint on at least three continents. Enercon Gander is turning over approximately €50,000 per month, which is volume enough to shift the U. S. From strategic target to strategic market, and the growth rate is high, in line with or above our growth goals. With regards to commercial opportunity, we believe that there are quite a few.



To mention the lowest hanging fruit is of course to ensure American Gambler is integrated into our sales process. This will mean better and more deals with operators in the U. S. As well as added support to increase casino revenues, which today are insignificant. In addition to this, American Gamba is already at this point holding strong organic positions in a series of states, sometimes in states that are not yet regulated.



This means in practice that as soon as the state opens up, we will be able to start generating revenue from day 1. And with our extra services such as the extended audience, CRM, banner sales and much more, we believe that we can also add additional revenue simply by extending American Gamblers' commercial offering. When it comes to industrial logic, it very much goes both ways. RegTech will provide platforms, infrastructure, resources, KPI reports, automated follow ups, site audits and more. And the team behind American Gambler will bring valuable knowledge about the American affiliation market to us, which we then will be able to monetize on in other aspects of our business.



Next slide, please. Slide 8. I wouldn't normally go into this level of detail when it comes to an acquisition, but I wanted to make an exception this time as I think it is important to understand how our P and L will be affected and how we intend to encourage growth and long term commitment. The first two orange boxes illustrate the 1st 2 years, and during those, the seller will work as a dedicated consultant for RegTech. During the first of these two years, focus will be on maximizing the effect from all the synergies from integrating with RegTech Central Operations and Sales, as well as ensure of course we roll out American Gaffer to all states possible.



During year 2, the seller will in cooperation with the RegTech team, build and roll out several more assets, this time targeting local states with relevant and engaging content. Our technical platforms that I've talked so often about will ensure that this is done efficiently and rapidly. The first two years are focused on accelerating growth. And if successful, year 3, which is illustrated by the yellow box to your right, will be focused on ensuring growth and profit stays in line with our long term financial targets, unless there is more opportunity to accelerate growth, of course. During the growth phase, we estimate EBITDA margin to be roughly 40%, but anticipated to increase significantly well to well above or on our financial targets once the Sprint is over, which for clarity means year 3 and onwards.



Next slide please, Slide 9. As you might have figured out, there are a few things that differs the American Gamber acquisition from others that we've made, and I want to take this opportunity to point them out. First of all, it's a fairly young asset. It has experienced significant growth over the last year or so. But as with most assets targeting the U.



S, revenues stem predominantly from CPA. In practice, this means that there are no rev share databases to take over, which with European assets usually is the case and therefore normally would motivate non performance based earn outs. In addition, many of the synergies and growth opportunities identified by both the seller and Redtec are relating and assuming very close cooperation in order to be maximized. With all of this said, we wanted to create a structure where we acknowledge the great position the asset is in instead of committing additional earn outs, inflating our balance sheet and not guaranteeing growth. Instead, we wanted to create a long term mutual beneficial agreement where we commit to investing time and resources into growing it as much as we possibly can.



And simply put, this means that the cost for growing how we're doing as the financial items under EBITDA sometimes can be hard to dissect, explain and to understand. As I mentioned in the previous slide, the 1st 2 years are focused on growth. And during this time, the seller will, as a consultant fully dedicated to American Gander, be entitled to a generous profit split with Raytech. After 2 years, the seller can continue to work with the assets, but to slightly less generous profit split. The profit split will be part of the operational costs, just as I explained.



By doing so, we ensure long term commitment from all parties involved at the same time as we do not inflate the balance sheet. We are furthermore not left with earn out commitments, which means that there will be no nasty surprises in terms of potential thresholds or money to be paid out even if the asset is not performing. And by thinking long term and also having a plan for the years after the 2 initial years, we can already now we're certain to say that we will increase profitability from the asset year 3 and onwards, which normally is the other way around when having a more traditional earn outs deal. During the 1st 2 years, we project a margin roughly about 40%, which is shown in the top right circle. The initial payment of EUR 5,000,000, which is shown in the second circle, is taken from our current cash.



And other than that, we have no financial commitments more than, of course, sharing profit from the product during growth. And speaking about financial commitments and profits, over to Mans, who will tell you all about how this is going with regards to Q3. Over to Mans.



Thank you, Oskar. And let's start on Slide 11, please. As Oskar pointed out in the beginning, the 24% growth from 2019 relates primarily to our recent acquisition through Live Republic. But worth pointing out again is that we did this quarter have a positive organic growth of about 3%. To mention a few positive contributors, we're happy to see that our Japanese assets have increased its revenues with about 30% from last year.



But also our Swedish casino assets have been performing well and showing growth year on year. Comparing Q3 with Q2 of this year, we're up 5%. Sports have picked up slightly. But again, our Swedish casino assets are performing well, and we are particularly happy to see that the Republic increased its revenues with about 25%, with a particular positive increase in the last month of the quarter. Next slide, please.



This slide illustrates our NDC development the last three quarters and we are showing quite a substantial increase in NDCs. But worth pointing out is that the increase is essentially an effect of our acquisition of Big Republic, at least when looking at Q1 to Q2. These are low margin NDCs, as Oscar pointed out, so they don't really correlate or drive revenue to the same extent as you would see in our more traditional services. Between Q2 and Q3, LEED Republic continued to contribute with a high NDC intake, but the Swedish reregulation especially boosted NDC as active players open more accounts as an effective deposit limit. So important to keep this in mind going forward when we compare NDC development with prior periods.



Next slide please. With regards to the revenue split, the reregulation in Sweden has had an impact even here. The increase in NDCs did naturally have a positive effect on CPA related revenues. This is evident comparing Q3 with last year, but the increase is, however, not only an effect of this, but also due to the fact that the Republic predominantly generates CPAs. Compared to Q2 of this year, we've seen a slight decline.



Q2 was, however, also a big CPA quarter as we had several new brands launched during the quarter, which normally drives CPA. The effect of the reregulation can also be found for flat seats as we've increased performance based fixed seats that to a larger extent are based on a predetermined performance target. From a strategical point of view, however, it's good to see that some of the growth within flat fees does also come from added services through extended audiences and VIP program that Oskar highlighted during the Q2 presentation. These revenues are not substantial in absolute terms, but they are important in our transformation towards becoming a true performance marketing company. Revenue share has declined year on year and quarter on quarter.



This is, to some extent, an effect of a drop in sports, at least compared to last year, but also an effect of an increase in the relative share of CPH through the Republic. And additionally, as Aske pointed out, most likely also an effect of lower generalization. Our vertical split is showing Sports recovering slightly, but not back to pre COVID-nineteen levels. Important to note out is that these are relative terms. And as we've added Lid Republic, which is almost exclusively casino related, the relative sports revenues have declined in relative terms as well as expected.



And finally, revenues outside of the Nordics have increased slightly to 20% in Q3. And as you've gathered, we will be adding U. S. Revenues to the mix and we will ahead of Q4 evaluate how we best illustrate how our different regions develop. Next slide, please.



Net profit for the quarter amounted to €1,200,000 The main item between EBITDA and net profit relates to depreciation on our intangible assets. These assets consist of player databases, other intellectual property and a technical platform, primarily related to Kasumba, Casino Favor and Lied Republic. These assets are depreciated over a period of 3 to 5 years and are impacting our net profit as illustrated in the diagram. The other items below EBITDA are minor, but worth pointing out is that the only cash effective item relates to the interest expense. Next slide, please.



As you saw in the previous slide, quite a big chunk of our costs relate to amortization of intangible assets. And as you can see in the slide, we've increased amortization year on year. And this relates primarily to revaluations of Casino Fairbord, but also the acquisition of Vid Republic. And this is essentially why we despite having increased our EBITDA are still more or less in line with last year when looking at earnings and earnings per share. But important to note out is that these transactions are noncash affecting, accounting technical to some extent and also to some extent objective.



But I am aimed at maintaining a good balance between a reasonable amortization schedule and a fair value in our balance sheet. This is also why we've adopted a prudent approach when it comes to capitalizing expenses relating to development or improvements in existing assets or infrastructure. Next slide, please. Total assets amounted to EUR 86,000,000 of which the majority relate to our intangible assets. As we have concluded the sale of our finance vertical, this has been classified as held for sale.



On our liability side, amounts committed of SEK 11,800,000 consist of expected earnouts, which primarily relate to casino faber, Kasumba and League Republic. We have during Q3, we value the earn out rate at the casino favor as performance continues to be strong and our estimates have as such been revised. Next slide, please. This slide illustrates our cash flow bridge, Q2 versus Q3 of this year. Net cash from operations of close to SEK3,600,000 is up from SEK3,200,000 compared to previous quarter and has increased with higher profitability, but also from a positive development in our working capital, primarily due to timing effects of trade payables.



Net cash from investing activities relate to earn out payments of SEK1.5 million and cash flow from financing activities relate to interest and lease payments. We have a positive net cash flow of SEK 2,000,000 for the standalone quarter, up from SEK 1,500,000 compared to Q2 this year. And the increase is driven, as I mentioned before, from higher profitability, but also due to timing effects on our liability side. Next slide, please. This slide illustrates our margin in Q3 of this year compared to last year.



The EBITA margin in Q3 of last year was 45.5% compared to 39.8% on Q3, and a bigger line item bringing the EBITA down relates to direct costs. We have during the last year added new products and offerings, and primarily affecting the quarter compared to last year is Lead Republic. As we pointed out earlier, Lead Republic is a lower margin product, but obviously an important strategic acquisition for us. With regards to NPE and other expenses, these have increased in absolute terms compared to last year. And in previous presentations, we have covered the main reasons for this.



But as a small reminder, it's essentially an effect of the transformational change in geographical expansion we have gone through during the last 9 months. What we're happy to see during Q3, however, is that the current levels have been more or less scalable, which means that as we increased revenues, it had a relative positive effect on EBITDA margin as we see in the diagram. Next slide, please. This slide illustrates the margin development between Q2 to Q3 this year. In Q2, we indicated that we could see a slightly lower EBITDA margin as an effect of continued efforts in product development and geographical expansion, and this materialized to some extent and can be visible in the increase of operating expenses.



However, with higher revenues this quarter from our higher margin products in combination with a stable level for both direct and employee costs, we came in just slightly below the Q2 margin. And this proves the point we've mentioned before that our margin is a little bit more difficult to predict as our offering has broadened during the year through a combination of higher and lower margin offerings. And our EBITA margin will move around slightly depending on how these develop in relation to each other. And yes, thank you. And back to Oskar and Slide 21, please.



Thank you, Mons. That was actually the last slide of today. So please allow me to wrap up with today's key takeaways. Looking at our strategic goals we have during the year and in Q3, maybe even more so, taking a taken a few but big steps in the right direction. We are still, as you can see, to some extent, slowed down with regards to expansion within sports due to COVID-nineteen, but traffic is picking up and American Gamba is a substantial and valuable addition, which hopefully will enable me to tick this box during 2021.



Our geographical footprint is larger than ever, which is good for stability and risk, but maybe more exciting is that we now have our toes dipped into the U. S. Market, a market which is projected to have many years of substantial digital gambling growth ahead. In terms of flagship assets and product categories, we are also stronger than ever before. But rest assured, we don't stop here.



There are still plenty of opportunities for further rollouts and further improvements within our assets as well as monetizing opportunities within new product areas such as the extended audience and more. Looking at the financial headline, we grew with 23.9 percent during the quarter, primarily thanks to acquisitions. Our organic growth was 3.2%, which is strong considering the fact that we are comparing revenues, including full sports offerings with only very limited sports betting activity due to COVID-nineteen. And with that said, our sports sales are not back to pre COVID levels as of yet, even though we have seen positive signs of traffic increasing to a large degree. We managed to maintain a stable EBITDA level quarter over quarter despite changes in product mix and investments in product development, and our October revenues amounted to EUR 2,600,000 with the margin in line with Q3.



With regards to milestones and events, our revenues from outside of the Nordics increased marginally and came in at 20% compared to 19% previous quarter. Worth pointing out in respect to this is that we last year only had 10% coming from outside of the Nordics. We furthermore acquired the American Gambler, which is a fast growing U. S. Sport asset, which we believe already by the end of Q4 will help us conclude revenues from the U.



S. Of 5% to 10% of group total. And we divested our finance vertical, which enables us to keep laser sharp focus on what we do best, which is iGaming performance marketing, at the same time as it gives us ammunition to further explore potential M and A opportunities or other growth opportunities. Our in house built how to bet.com asset delivered its first indices, and we rolled out tvsportsguide.com to the American audience. And look at the outlook, the second wave of COVID-nineteen that many countries around the world currently are experiencing will undoubtedly have impact on us and our industry, just like it has on all other industries.



What we have learned from the first wave is, however, that we cannot with certainty predict exactly how things will play out. On the one hand, we have positive effects from players choosing online over offline gambling, which, of course, is great. But on the other hand, we see sport events being canceled and potential long term negative financial macro consequences affecting the consumer purchasing patterns. On a positive note, our type of commercial offering where we, in contrast to more traditional marketing, are performance based seems to be extra appealing to the customers in times of volatility and uncertainty, which means that the demand for our services is still very high. And with that said, and despite the turbulence, I look forward to continuing to execute on the company's strategy and deliver on milestones and goals.



And with most of the infrastructure, products, markets, organizations, etcetera, now in place, I think we have a really good chance of actually doing so. And to repeat what I said last time, we will continue to make investments into the future. This opportunity is now, and I want to make sure that we, for instance, maximize our potential in the U. S. That we continue to lower our dependency of single markets through geo expansion and continue to ensure we have broad and strong commercial offering.



This means that we will continue to expect at least in the short to midterm EBITDA to be on current levels or occasionally even slightly lower than that. And finally, I want to highlight once again that our debt situation is very good, almost too good actually, and I look forward to using this situation to further accelerate our growth through M and A or other investments. And with those words, that was one for today. So let's see if there are any questions. Please move on to Slide 22 or 23.

Q&A



Thank you. Our first question comes from Erik Lindholm from Nordea. Please go ahead.



Yes. Hi, Oscar. Hi, Hans.



Yes. Good morning.



Good morning. Starting off a bit on American Gambler, which looks very interesting. Can you talk a bit about sort of the growth organic growth opportunities that you see for this asset? And do you think that you can keep up the 30% to 50% growth rate during the sort of Sprint phase in the 1st 2 years? And how is this website ranking in searches in the sort of most important states, would you say?



All right. Thank you, Erik. That's a brilliant question. I think to start off with the first one regarding growth, I mean, this it's an acquisition that is, as I mentioned in the presentation, very much focused around growth. So obviously, we think that it's a great opportunity to not only continue with the 30% to 50% growth rate, but potentially also by adding all of our extra ammunition in terms of extended audience and our knowledge potentially also increased that slightly.



So we see great growth potential. And also from a structural perspective, the U. S. Is going through a transformation where online where gambling sort of moves from offline to online on a more general from a more general perspective in combination with states opening up one after the other. So I think we also would potentially have a little bit of backup from those more structural changes as well when it comes to growth.



So you got it. So regarding the question on how the website is ranking in searches, Can you say anything about that? Is it a top 5 website in any states or something like that?



Yes. I mean, for competitive reasons, I wouldn't go into exactly what the secret sauce is in terms of exactly what we rank on. But I can say as much as it's sports related mostly. That's where the American Gambler has been really successful, sports related and quality content. We, of course, look forward to also adding our knowledge within the casino spectrum to ensure that rankings also come within that segment as we move along.



All right. Great. And this guidance of 40% EBITDA margin for American Candler, is this before or after the profit sharing with the seller?



That is after the profit sharing.



Okay. Can you say anything about I mean, should we expect profit sharing to be 10% of the EBITDA generated or anything can you say anything about how large that is?



Yes. I would love to do that, but that's then I would also sort of reveal the commercial agreement between us and the American Gambler, which is for competitive reasons, something I can't really go into the details of. But I can say that the 40% margin is including profit share and operational costs relating to platforms and infrastructure and so forth that we have deemed necessary to accelerate the growth. It's all inclusive. Yes.



Great.



That makes sense. And looking at your other U. S. Assets, would you say that how to bet this asset with the most potential here or any other assets that you see a large potential in?



Yes. We believe, of course, a lot in how to bet. We think that it's with regards to the U. S. Being fairly new to online gambling market where many consumers seek to find information about how to bet online.



We believe that that product could be a really big one in the long run. So it's a long term commitment for us. But if we look at track record, we can see that the position that the TV Sports Guide, for instance, have in Europe is really strong. So and to my knowledge, there are no real competitors in terms of that in the U. S.



So that is obviously also with great potentials. I would say those are the 2 biggest potential products that we build ourselves. And TV Sports Guide is maybe extra interesting as we've already proven that to be successful in other markets. So it has a proven concept.



Got it. Thank you. And looking at by the news from outside the Nordics, you say that you expect this to be around 25% now by the end



of the year. So if we look at



a few years, where do you want this number to be? Is it 50% or yes?



Yes. That's a relevant question. We have a strategic goal to not be to not have any single market more than 20% of the group's total. And if we look at U. S, we have chosen to see U.



S. Not as a single market, but many markets as the states are so big. So I would say that with U. S. Being the biggest gambling market in the world and predicted to be the biggest digital gambling market in the world, I would be surprised if the U.



S. Wouldn't make up a fair share of our total group revenue. Exactly what levels we will land on, it's hard to guide on. But obviously, with the statement that we've made that we want to have a significant footprint on 3 continents, it is not unlikely that it would be good to have a similar sort of share from each of these continents in the long run. That would put us in a very good and stable position.



Okay. Sounds promising. And so you still have quite a strong position to keep carry out M and A here. So is it fair to assume that you wish to find more assets in the U. S.



Then? Or are you looking at other geographies as well? And would you say that you're acquiring to open to acquiring both casino and sports assets?



Yes and yes. We are prioritizing assets that pick as many strategic boxes as we possibly can. So the U. S. Is a strategic target for us or is now actually a strategic market for us.



So obviously, the U. S. Is important. But as I mentioned previously, it's also very important that whatever we acquire helps us to become better at what ever we do. So it needs to have some industrial logic.



It's not just acquiring for the sake of acquiring revenue. It needs to tick all of the other strategic boxes. So if we can further if we can get a further better offering for our customers or a wider geographical footprint, and that could be on other continents as well that will bring value. So it doesn't necessarily ring fence the U. S.



For acquisitions going forward. But obviously, the U. S. Is very interesting as it is a strategic market for us.



Great. And final question for me. So sports revenues, you say that sports revenues are still below pre corona level in Q3. And is it possible to sort of quantify this impact? And how would you say that October is looking?



Yes. The sports revenues are I think we've said what we can say in the report with regards to sports revenues. We are not seeing even though traffic numbers have picked up significantly between the quarters, we're not back to where we were pre COVID. But there are no reasons for us to, at this point, see that this would have any long term impact. So we look forward to everything coming back to normal.



Okay. Yes,



perfect. Thank you. That's all from



Okay. There appear to be no further questions. So I'll hand back to the speakers for any other remarks. All right. Thank you.



I think that was it for today. Thanks for joining the presentation. We look forward to talking to you again in connection with the Q4 report in February.