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**Raketech**

Q2 2025



## Speakers



**Måns Svalborn**  
CFO | Raketech



**Johan Svensson**  
CEO | Raketech



**Operator**

## Prepared Remarks

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### Operator

Welcome to the Raketech Q2 2025 report presentation. For the first part of the presentation, participants will be in listen-only mode. During the questions and answers session, participants are able to ask questions by dialing pound key five on their telephone keypad. If you are listening to the presentation via webcast, you can ask written questions using the form below. Now, I will hand the conference over to speakers: CEO Johan Svensson and CFO Måns Svalborn. Please go ahead.



### Johan Svensson

CEO | Raketech

Good morning and welcome to Raketech's Q2 2025 presentation. My name is Johan Svensson and I'm the CEO of Raketech. Today, CFO Måns Svalborn and I are here to present our Q2 report. Starting with financial highlights, we came in at EUR 7.8 million in revenues in Q2, an organic decrease of 53.8% year-on-year and -47.9% excluding the divested advisory tips business. A vast majority of the revenue decline comes from the Casumba assets, the paid publisher segment within sub-affiliation, and the now fully divested US tipster business. I will give more details around this on the next slide. Adjusted EBITDA amounted to EUR 2.1 million, while reported EBITDA was EUR 2 million. During the quarter, we divested our non-core US tipster and subscription assets, with a transaction closing at the end of June. These assets, along with the related US operation, had a negative EBITDA impact of EUR 0.5 million in Q2.



### Johan Svensson

CEO | Raketech

Adjusted EBITDA, excluding the divested US tipster assets, was EUR 2.6 million in the quarter. As of July 1, we no longer have any costs related to the divested tipster business, which is expected to result in improved profitability going forward. We've additionally saved approximately EUR 150,000 per month. Free cash flow over the quarter was EUR 1.8 million. Excluding publisher costs, we achieved cost savings of 35% in Q2 compared to Q1 of last year. Q1 last year marked the start of a review of our operating model. Next slide. Now let's look at the performance of each business area during the quarter. Starting with affiliation marketing, affiliation marketing came in at EUR 5.7 million in revenue. Our Casumba assets continued to decline and the overall market conditions for these assets continued to be challenging during the quarter. The Casumba founders are still dedicated to the daily operations.



### Johan Svensson

CEO | Raketech

Excluding these assets, the remaining affiliation marketing portfolio shows 5% growth quarter on quarter. The four-year partnerships with entrepreneurs have all launched according to plan, with a strong operational momentum and a clear focus on product development, content, and commercial improvements. This operating model, along with the products operated within the partnerships, now accounts for more than 60% of the total affiliation marketing revenues. We continue to work on developing our business and reducing our dependency on SEO affiliation marketing. A positive development is that we have signed a comprehensive agreement for our TV sports guide with a leading Nordic TV and streaming provider that we haven't worked with before. We are also increasingly leveraging AI tools across the business to streamline and simplify various tasks. Sub-affiliation revenues amounted to EUR 2 million and the gross margin for sub-affiliation was 38% in Q2.



### Johan Svensson

CEO | Raketech

As we reported in connection with the Q1 report, we saw a marked decline in pay revenues within sub-affiliation in March. As a consequence of structural changes in the advertising ecosystem, we have not seen any notable improvements since then for our paid focus publishers, given that paid has a higher share of upfront payments, what we call CPA-based revenue model. That means the decline in revenue has been greater, while margins have increased due to contributions from our rev share databases. The organic part of sub-affiliation performed in line with Q1, where we saw a seasonal effect in the U.S. due to fewer sport events. The pipeline of organic publishers remains strong and we are cautiously optimistic ahead of the upcoming football season. As the U.S.

**Johan Svensson**

CEO | Raketech

continues to be a focus market for us within sub-affiliation, we are also continuing our efforts to sign additional exclusive network agreements with operators for Affiliation Cloud. This model gives us the exclusive rights to offer commercial deals to affiliates who do not work directly with a specific operator. It has proven to be a successful model that creates value for all parties, operator and the smaller affiliates who do not have the opportunity to secure directives with larger operators. U.S. paying tips and subscription. During the quarter, we successfully divested our non-core U.S. Tipster and subscription assets. The total consideration amounts to EUR 1.25 million. These assets, along with the related U.S. operations, had a negative EBITDA impact of EUR 0.5 million in Q2.

**Johan Svensson**

CEO | Raketech

This is a cost we no longer carry as of July 1, which will lead to an increase in profitability and cost savings of approximately EUR 150,000 per month. Going to the next slide. Affiliation Cloud and our platform-first approach. The development of Affiliation Cloud continues to progress steadily. During the quarter, we successfully launched our proprietary software solution, Rakeecollect, designed to gather data performance metrics directly from the operator. This new tool enhanced our ability to deliver more accurate data, positioning us ahead of our competitors in terms of both efficiency and data quality. We have an ambitious roadmap for the remainder of the year, focusing on powerful new features such as automated reporting, improved user experience, and a flexible wallet solution that enables publishers to withdraw their commission on demand.

**Johan Svensson**

CEO | Raketech

Previously, we have operated with two separate commercial teams, one focused on selling traffic from the assets we own, affiliation marketing, and another team dedicated to monetizing traffic from external publishers within sub-affiliation. We have recently made changes to meet the demand of our commercial operations, allowing us to bundle sales more effectively across all assets on the platform, regardless of whether the assets are owned by us or provided by external publishers using Affiliation Cloud as their commercial platform. The target is to offer operators increased volumes of traffic through a single platform deal while leveraging the scale and synergies across our ecosystem. Next slide. Now I will share an update about our entrepreneurial partnerships for our affiliation marketing portfolio. As previously reported, we signed four new partnerships for our affiliation marketing portfolio during the first quarter of this year. All of these have launched successfully.

**Johan Svensson**

CEO | Raketech

The background to what we now refer to as entrepreneurial partnerships is the challenges we have experienced in operating our products at scale following the exit of entrepreneurs from whom we acquired the businesses. Each partnership and its exact structure are tailored to match the specific needs, size of investments, and expertise involved. What all partnerships have in common is that Raketech, through its central teams, manage sales, commercial agreements, finance, reporting, management, and parts of the tech. Our partners are responsible for the day-to-day operations, including SEO, content creation, and product development. Together, we bring complementary expertise to the table, enabling sustainable long-term growth. Operational activity has been very high, with the new partnership products already relaunched and more scheduled for release during the second half of the year.

**Johan Svensson**

CEO | Raketech

I would also like to clarify that Raketech still retains full ownership of all assets operated in these types of partnerships. Excluding Casumba, the rest of the affiliation marketing portfolio grew by 5% in Q2 compared to Q1, with entrepreneurial partnerships contributing to this growth. Now over to Måns and a deeper look into our financials.

**Måns Svalborn**

CFO | Raketech

Thank you, Johan. We saw total revenues of \$7.8 million in Q2. On your left side, we have total revenues split on our three business areas, and on the right side, total revenues distributed on cluster of regions. Starting with affiliation marketing, which now accounts for 73% of total revenue in the quarter, and similar to previous quarters, the Casumba assets have underperformed. What's positive to see is that excluding these assets, the remaining portfolio is, as Johan pointed out, growing with 5% from Q1. This growth is largely stemming from our Nordic assets.

**Måns Svalborn**

CFO | Raketech

Sub-affiliation represents approximately 25% of total revenues in Q2. The decrease in this area is largely the driving factor behind the overall decrease in revenues. We have highlighted this in prior quarters and that this relates primarily to our paid network publishers. The last few quarters, we have seen ongoing challenges for our publishers and the area experienced additional headwinds as from March last quarter. This continued through Q2, and so far we don't see any meaningful recovery in the near term. The focus rather for this area is, as Johan highlighted, the organic publisher network with a positive momentum for the number of revenue-generating publishers, which is promising as we move along. Next slide, please. This slide shows revenue mix and vertical split. Just a couple of quick points on this slide. The variation in CPA is largely driven by the lower activity in sub-affiliation.

**Måns Svalborn**

CFO | Raketech

This area is predominantly CPA heavy and driving the decline from strong results of previous quarters. Flat fees and revenue share in affiliation marketing are, however, reasonably steady. The decrease in rev share is again primarily an effect of the software development for Casumba. Disregarding these assets, rev share is relatively stable and flat fees are growing. Next slide, please. As highlighted in previous quarters, we've had a continued review of all products and business areas to ensure that we are operationally efficient. From a high point in Q1 of last year with regards to cost, we initiated a review and cost-cutting initiative. As early as last quarter, we're now seeing these initiatives realizing with an overall decrease in total cost, excluding publisher cost, of about 35% from Q1 of last year.

**Måns Svalborn**

CFO | Raketech

Furthermore, we expect to have additional cost savings of about EUR 150,000 per month as we head into Q3 as an effect of the disposal of the U.S. Tipster assets. Next slide, please. This slide, last slide from me, illustrates EBITDA quarterly and free cash flow in relation to EBITDA. It also illustrates accumulated numbers of the last 12 months. These should correlate reasonably well on a quarterly basis, but more so over a 12-month period, and they do. The difference we do see is, as expected, tax, lease, and interest payments, as well as some capex, but these are minor items, as you can see. Furthermore, specifically on the earnout payments, we settled EUR 2 million in Q2 as planned.

**Måns Svalborn**

CFO | Raketech

This leaves us with the last earnout payment that was originally due in September 2026, of which now the payment period has been extended up until March of 2028, as we communicated in connection with Q1. This will be partially settled in installments up until 2028. Thank you. And over to Johan.

**Johan Svensson**

CEO | Raketech

Thank you, Måns. To summarize before we open up, financials, revenues in Q2 of EUR 7.8 million, adjusted EBITDA of EUR 3.1 million, representing a margin of 27%, and an EBITDA of EUR 2 million. Adjusted EBITDA excluding the divested U.S. tipster assets was EUR 2.6 million in the quarter. Excluding publisher costs, we achieved cost savings of 35% in Q2 compared to Q1 of last year. Some key takeaways per business area, starting with affiliation marketing, excluding the Casumba assets, the remaining portfolio grew by 5% compared to Q1, with strong contributions from the entrepreneurial partnerships.

**Johan Svensson**

CEO | Raketech

These partnerships now account for more than 60% of the total affiliation marketing revenues, and we are seeing strong operational momentum. Sub-affiliation, paid sub-affiliation has not recovered following the significant decline in March, and current volumes remain very low. Meanwhile, organic sub-affiliation performed in line with Q1, as expected, given the low season in U.S. sports. The pipeline on new organic publishers remains strong. U.S. betting tips and subscriptions, we divested the non-core U.S. Tipster and subscription assets for EUR 1 million. These assets and the related operations had a negative EBITDA impact of EUR 0.5 million in Q2. From July 1, related costs to these assets are eliminated, improving profitability by approximately EUR 150,000 per month. Business outlook and trading update. Our focus going forward is clear: to continue developing Affiliation Cloud into the leading commercial affiliate platform in the iGaming industry.



**Johan Svensson**

CEO | Raketech

By enabling bundle sales across our internal assets and external publishers on the platform, we create commercial synergies. At the same time, we deliver value to operators through tailored exclusive agreements that support and strengthen their affiliate operations. We have had a strong start to our new entrepreneurial partnerships with several new product launches planned for the remainder of the year. In parallel with ongoing optimization for our casino assets, we are also working intensively to ensure we are well prepared for the FIFA World Cup next summer. Preliminary data on July revenues for affiliation marketing assets indicate performance in line with typical seasonal trends as expected, reflecting a somewhat softer activity during the early summer period and the absence of major sport events. Activity is anticipated to pick up toward the end of the summer.



**Johan Svensson**

CEO | Raketech

The lower margin paid publisher network in sub-affiliation continues to face headwinds, consistent with Q2 and previous quarter, while the organic publisher network is performing as expected. With these words, we're now opening up for Q&A.



**Operator**

If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad.

## Q&A

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**Operator**

Good morning, guys. Richard from DNB Carnegie here.

**Johan Svensson**

CEO | Raketech

Good morning. Hi, Richard.

**Johan Svensson**

CEO | Raketech

I have one question regarding the affiliation segments. You're quite clear that the paid publisher network is down and in low activity. When do you think that the organic publisher network can compensate for the lack of sales in the paid publisher network? Is it near term or is it more in long term?

**Johan Svensson**

CEO | Raketech

Organic, you're right. The paid was down in Q2, and we saw, on the organic side, we saw revenues in line with Q1. Given that, yeah, it also was some seasonal effects from lower sport events. We are not disclosing the exact split between this area, but we have a strong pipe on the organic side and remain confident to grow the organic side going forward.

**Johan Svensson**

CEO | Raketech

Okay. Thank you. Also, looking on your affiliation marketing assets, if you exclude Casumba, what do you say is the main reason for the quite strong momentum you're seeing in the Nordic and Italian markets then?

**Johan Svensson**

CEO | Raketech

We have changed our operating model here with these new entrepreneurial partnerships, and we have seen a strong operational momentum. These guys, many of them are entrepreneurs which we acquired businesses from in the past. They have a very good track record and a good strategy for operating these type of assets. We're happy to see that we are seeing a 5% growth quarter on quarter, excluding Casumba assets, still remains very, very important. The founders are still on board in the daily operations.

**Johan Svensson**

CEO | Raketech

Okay. Thank you. Looking at the rest of the world, if we exclude Japan, where you have the Casumba assets, do you see any change in activity in Q2 compared to Q1 in, for example, Latin America?

**Johan Svensson**

CEO | Raketech

On the sub-affiliation side, we saw in Q1, but Brazil had a slower start, and we have seen a bit higher activity in Q2. It's still, Latin America is still a big market for us, but we saw a bit higher activity in Q2 versus Q1.

**Johan Svensson**

CEO | Raketech

Okay, thank you. That was all for me.

**Operator**

There are no more questions at this time. I hand the conference back to the speakers for any written questions and closing comments.

**Måns Svalborn**

CFO | Raketech

All right. We have a couple of written questions as well. There's one around our thoughts of potential future buyback of shares. This typically is more of a Board discussion. It's not something we normally comment on unless you have something specific you want to highlight, Johan.



**Johan Svensson**  
CEO | Raketech

Regarding the buybacks?



**Måns Svalborn**  
CFO | Raketech

Mm-hmm.



**Johan Svensson**  
CEO | Raketech

No, our account is too useful. If we catch those to pay down our payments, that's a top priority.



**Måns Svalborn**  
CFO | Raketech

There's another question around ChatGPT. Do you have any ongoing plan to gain users on ChatGPT and Google Overview for your affiliate website?



**Johan Svensson**  
CEO | Raketech

Yes. It's still early days, and we haven't seen any impact on the Google search yet for gambling-related keywords. We are working towards the rank for, but definitely, it's a part of our business development to be relevant for AI bots. It's still early days.



**Måns Svalborn**  
CFO | Raketech

Yeah. There's a specific question around Affiliation Cloud. Can you say anything about the growth numbers of the Affiliation Cloud platform? So far, we haven't disclosed the split, at least not between paid and organic publishers. We might do so going forward, but as of not now. What we can say around the number of revenue-generating publishers is that it's in line in Q2. Q2 and Q1 are in line.



**Johan Svensson**  
CEO | Raketech

There was one question. Will the TV commercial deals be possible to reach for Affiliation Cloud customers? So far, iGaming commercial deals for Affiliation Cloud customers. If there is a demand, we have good relations with the Nordic TV and streaming providers, so it could be an option in the future.



**Måns Svalborn**  
CFO | Raketech

Okay, that was actually the last question.



**Måns Svalborn**  
CFO | Raketech

Okay, thank you all for listening in, and hopefully, we see you again in another.