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Press release, Stockholm, 18 June 2018

## **Raketech publishes prospectus and announces price range in connection with the listing on Nasdaq First North Premier**

**Raketech Group Holding plc ("Raketech", the "Company" or the "Group"), a Nordic leading online-based marketing company, today publishes its prospectus and announces the price range for the initial public offering (the "Offering") of its shares and listing on Nasdaq First North Premier.**

### **The Offering in brief**

- The Offering is being made to institutional investors internationally and in Sweden, as well as to the general public in Sweden.
- The final Offering price is expected to be set within the price range of SEK 26 – 34 per share, corresponding to a market capitalisation of approximately SEK 639 – 835 million, before the Offering.
- The Offering comprises at least 11,764,705 and up to 15,384,615 newly issued shares, where the number of shares is determined based on the final price in the Offering so that the Company will receive approximately SEK 400 million before transaction costs. The Offering also includes 2,335,670 existing shares sold by six selling shareholders.
- Certain selling shareholders and seven additional shareholders (together with the selling shareholders "**Selling Shareholders**") have granted an option to Danske Bank A/S, Danmark, Sverige Filial ("**Danske Bank**") and Skandinaviska Enskilda Banken AB ("**SEB**", together with Danske Bank, the "**Managers**") giving Managers the right to purchase up to 2,658,042 additional shares to cover potential over-allotments or other short positions, if any, in connection with the Offering (the "**Over-allotment option**").
- Providing that the Over-allotment option is fully exercised the total value of the Offering amount to approximately SEK 530 – 551 million, corresponding to 45 – 51 percent of the total number of outstanding shares post completion of the Offering.
- A prospectus with full terms and conditions is published today 18 June 2018, on the Company's website <https://raketech.com/>.
- The first day of trading for Raketech's shares on Nasdaq First North Premier is expected to be 29 June 2018, under the symbol "RAKE". The expected settlement day is 3 July 2018.

### **Michael Holmberg, CEO of Raketech:**

*"Since start, for eight years ago, we have grown to become one of the leading actors on the iGaming market with a unique product offering. We are a motivated, experienced and dedicated team that look forward to a continued sustainable and long-term growth through a clear operative model with focus on*

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*optimisation of current assets, innovation as well as acquisitions of qualitative assets. We assess that where the organisation is today is an adequate timing for broadening the shareholder base and apply for a listing on Nasdaq First North Premier. The offering will pander our continued growth, contribute to an optimised capital structure, increase the acquisition opportunities and establish a diversified ground of new Swedish and international shareholders. In addition, the listing on Nasdaq First North Premier will increase the awareness of the Company among customers and potential employees as well as contribute to an increased transparency and quality in the iGaming market.”*

**Christian Lundberg, Chairman of the Board of Raketech:**

*“Raketech is with high operational capabilities and advanced technical solutions, operating in the fast-growing European gambling industry. The Company has great opportunities to drive the continued development of the industry through responsible affiliate services focusing on user value, thus securing long-term and sustainable growth. At the same time, we will continue to drive the active acquisition agenda where we target high quality assets with leading market positions. With a clear strategy for continued profitable growth, we are excited to broaden the ownership base and offer the opportunity for an enlarged group of shareholders to follow us into the exciting future of the Company.”*

**Background and reasons for the Offering**

Raketech is a marketing actor whose primary business involves using its online products to influence iGaming market users who are interested in sports and gambling and to guide them towards the best gambling services. By providing products with high-quality and relevant content the Group increases awareness among users of the offerings of various gambling operators and other advertisers to make it easier for the users to choose an end-service. Raketech attracts a wide audience through various types of online products via browsers and applications. In 2017 the Group directed approximately 67,000 NDCs to its partners, had almost 28 million visitors to its largest product in terms of number of visits, TVmatchen.nu. Altogether, the Company’s TV guides had 94 million page views during the year.

Raketech was formed in 2010 to focus on the affiliate business, primarily for online poker in the Swedish market. Since then the Group has grown and is now also focusing on online casinos, online sports betting and media products, and has expanded its product offering into the entire Nordic market. The Company’s revenue has grown continuously – both organically and through acquisitions – and has been profitable every year since the start. In the 2017 financial year the Company’s revenue amounted to approximately EUR 17.1 million.

The board of directors and Raketech’s senior executives, as well as the Selling Shareholders (consisting of existing board members and senior executives in the Company) are of the opinion that this is an appropriate time to expand the Company’s shareholder base and apply for a listing on Nasdaq First North Premier. The Offering and the listing will support the Company’s continued growth, give Raketech access to the capital markets and establish a diversified base of new Swedish and international shareholders. Raketech also believes that the listing on Nasdaq First North Premier will increase awareness about the Company among customers and potential employees.

The board of directors of Raketech intends, in accordance with an authorisation under the articles of association, to resolve on an issuance of new shares and the Offering covers both existing shares and newly issued shares in the Company. The Offering is estimated to raise around SEK 400 million for Raketech before issue costs of around SEK 35 million, which are to be paid by the Company in

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connection with the Offering. Raketech therefore expects to receive net funds of around SEK 365 million. Raketech intends firstly (up to approximately EUR 30 million) to use the net funds to optimise the current capital structure, secondly (up to approximately EUR 4.1 million) to settle amounts committed on acquisitions, and thirdly (up to any eventual amounts remaining after the first and second-hand purposes) to make potential new and near-term value-creating acquisitions. The exact distribution of the net funds depends among other things on possible new acquisition opportunities.

## The Offering

- The Offering is being made to institutional investors internationally and in Sweden, as well as to the general public in Sweden.
- The final Offering price will be determined within the price range SEK 26 – 34 per share. The price range has been set by the Company's board of directors and Selling Shareholders in consultation with the Managers based on the judged investment interest from institutional investors. The Offering price to the public will not exceed SEK 34 per share. The final Offering price will be determined by the Company's board of directors and the Selling Shareholders in collaboration with the Managers, and will be announced by way of a press release on or about 29 June 2018.
- The Offering comprises at least 11,764,705 and up to 15,384,615 newly issued shares, where the number of shares is determined based on the final price in the Offering so that the Company will receive approximately SEK 400 million before transaction costs. The Offering also includes 2,335,670 existing shares sold by the Selling Shareholders.
- The Offering may comprise an additional of maximum 2 658 042 shares, corresponding to 15 percent of the total number of shares that is comprised in the Offering, to cover potential over-allotment in relation to the Offering. The Over-allotment option can be exercised by the Managers completely or partly during the first 30 days from the first day of trading of the Company's shares on Nasdaq First North Premier.
- The value the Offering amounts to approximately SEK 461 – 479 million, corresponding to 39 – 44 percent of the total number of outstanding shares in the Company. Providing that the Over-allotment option is fully exercised the total value of the Offering amounts to approximately SEK 530 – 551 million, corresponding to 45 – 51 percent of the total number of outstanding shares post completion of the Offering.
- The bookbuilding period for institutional investors starts 19 June 2018 and will progress to 28 June 2018.
- The subscription period for the general public in Sweden will take place during the period 19-27 June 2018.
- A prospectus with full terms and conditions is published today 18 June 2018, on the Company's website <https://raketech.com/>.
- The first day of trading for Raketech's shares on Nasdaq First North Premier is expected to be 29 June 2018, and the shares will trade under the symbol "RAKE". The expected settlement day of the Offering is 3 July 2018.

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## **Prospectus and application**

A prospectus will be made available on the websites of Raketech (<https://raketech.com/>) and Danske Bank ([www.danskebank.se/prospekt](http://www.danskebank.se/prospekt)). Regarding the offering to the general public in Sweden, customers of Danske Bank, Avanza and Nordnet can apply to purchase shares through their online services.

## **Preliminary timetable**

- Publication of the prospectus: 18 June 2018
- Application period for the general public in Sweden: 19 June - 27 June 2018
- Bookbuilding for institutional investors: 19 June - 28 June 2018
- First day of trading of Raketech's shares: 29 June 2018
- Settlement date: 3 July 2018

## **About Raketech**

Raketech is an online-based marketing company. Its primary business involves offering products that enable the Company to guide users in the iGaming market who are interested in sports and gambling to the best gambling services. By providing products with high-quality, relevant content the Company increases users' awareness of the offerings available from various gambling operators and other advertisers, enabling users to choose an end-service more easily. Raketech works through three operational areas: Core, Lab and M&A. In Core the Company develops and optimises its existing products, in Lab the Company develops innovative new products in-house or through joint ventures, and in M&A the Company acquires new assets in line with its overall acquisition strategy.

The Company mainly uses two different marketing methods to attract traffic to its products: Performance-based marketing and Media-based marketing. Raketech's product offering is divided into four product areas: SEO products, communities, online guides and social media. Raketech charges its partners using three main revenue models (revenue share, upfront payment and flat fee) and also applies a fourth model that is often a mix of the main models (known as a hybrid). During 2017 revenue from revenue share, upfront payment and flat fee models made up 55 percent, 26 percent and 20 percent respectively of Raketech's revenue. The number of NDCs has increased since 2015 from 5,270 to 67,193 in 2017.

The number of employees as of 31 March 2018 was 95. The Group focuses on around 20 websites which generate traffic and online players to more than 300 brands belonging to 80–100 different iGaming operators (also known as customers or partners). For the full year 2017 Raketech's revenue amounted to EUR 17.1 million, corresponding to a year-on-year growth of 64 percent. The Group reported adjusted operating profit of EUR 9.0 million, representing a growth of 12 percent and margin of 52 percent.

## **Raketech's strengths and competitive advantages**

- A broad and strong product offering
- A well-diversified product portfolio focusing on the most profitable verticals
- A well-developed it platform
- Innovative capacity
- A strong history of strategic acquisitions

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- A scalable and dynamic business model
- A large and broad customer base
- Corporate responsibility

#### *A broad and strong product offering*

By working strategically, through its three operating areas, Raketech has developed a broad range of products that is constantly being optimised and is growing through the development of existing products, innovative new products and strategic acquisitions. The Company divides its product offering into four product categories: SEO, communities, online guides and social media. The current product range consists of around 20 main products with high-quality content, which satisfies the various needs of a broad spectrum of online players. The products include comparison sites, discussion forums for online sports betting, top offers for online casinos and TV guides.

#### *A well-diversified product portfolio focusing on the most profitable verticals*

Today the majority of Raketech's revenue stems from lead generation products, mainly consisting of SEO products within the online casino and online sports betting verticals. In addition to lead generation products, the Company has broadened its product offering to include media products, mainly consisting of online guides and communities within online sports betting. To increase awareness of the Company's products and thus also the traffic to these, the Company uses social media channels such as Facebook, Twitter and Twitch. An addition to Raketech's product portfolio is its expansion into the affiliate market for financial marketing, for which it received a Best Financial Website award as early as the beginning of 2018.

#### *A well-developed IT platform*

Raketech is a data-driven organisation with a high degree of automation. This has been achieved by investing in an in-house developed IT platform, The HUB, which brings together all of the Company's internally developed systems and allows efficient data collection and analysis. The HUB enables centralisation of operations and provides the Company with extensive data in the form of traffic data, ranking data and revenue data for all of the Company's products and partners.

#### *Innovative capacity*

The Company has succeeded in developing a large number of innovative products that complement the existing range of products in the iGaming market and that are appreciated by online players. The latest products to have been developed include Gambling Cabin and Playerr. Gambling Cabin expands the social aspect of iGaming and enables users to share their gaming experiences in video format, which is already an established concept in e-sport, among other areas. Playerr, meanwhile, combines all of the Company's product categories in one mobile app – in other words, an all-in-one product.

#### *A strong history of strategic acquisitions*

Since 2015 the Company has made 21 acquisitions, the latest being Shogun Media, the assets of online casino affiliate Mediaclever and the SEO product CasinoFeber.se which took place in Q2 and Q1 2018, respectively. Past acquisitions have been of varying size, mainly within the online casino and online sports betting verticals but also within financial affiliation. The Company has historically obtained significant strategic advantages and synergies from acquired assets.

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The Company has a well-planned acquisition strategy, which is based, among other things, on acquiring medium-sized assets and companies within the Company's four product categories to complete its offering in current markets and expand to new geographical markets with predictable regulation, to achieve a stable growth. Raketech intends to actively continue acquiring and be complicit in the ongoing consolidation of the iGaming market.

#### *A scalable and dynamic business model*

The three key factors in Raketech's business model are developing the existing product portfolio through Core, innovativeness through Lab and efficient integration of acquisitions through M&A. Through Core and Lab the Company is growing organically, while the M&A side accounts for the Company's acquisition-driven growth. Raketech's well-founded growth strategy is based on the Company's ecosystem, which is made up of the Company's four product categories.

#### *A large and broad customer base*

The Group works with more than 300 brands belonging to 80–100 different iGaming operators and generates traffic to the leading iGaming operators in the market, such as Betsson, Kindred, Bet365, Svenska Spel and Danske Spill. Through its media products the Group also has many customers other than iGaming operators. The Company has for instance through the online guide TVmatchen.nu gained access to customers such as C-MORE, Viaplay and Eurosport.

#### *Corporate responsibility*

iGaming operators are often responsible for how external actors market their products. In line with increasing regulation, this means an increased risk for iGaming operators in their choice of affiliate. Raketech strives to be at the forefront as regards regulatory compliance and codes of conduct. The Company therefore works closely with its partners to comply with the strict rules and regulatory requirements that apply to both the Company and its customers.

### **Advisors**

Danske Bank A/S, Danmark, Sverige Filial and SEB Corporate Finance, Skandinaviska Enskilda Banken AB act as Joint Global Coordinators and Joint Bookrunners (the Managers) in connection to the offering. Gernandt & Danielsson Advokatbyrå KB act as legal advisor in Sweden, GANADO Advocates act as legal advisor in Malta and Vinge KB is the legal advisor to the Managers.

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### **Important information**

This press release does not contain or constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares or other securities in Raketech. Invitation to the persons concerned to acquire shares in Raketech will only be made through the prospectus referred to in this press release. The prospectus will contain, among other things, risk factors, financial statements as well as information regarding the Company's Board of Directors. This press release has not been approved by any regulatory authority and is not a prospectus and accordingly, investors should not acquire any securities referred to in this press release, except on the basis of information provided in the prospectus referred to in this press release.

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This press release contains forward-looking statements which reflect Raketech's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "plan", "estimate" and other expressions than historical facts which imply indications or predictions of future development or trends, constitute forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements. The information, opinions and forward-looking statements concluded in this announcement speak only as of its date and are subject to change without notice.

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In connection with the Offering, Danske Bank may engage in transactions that stabilise, maintain or otherwise affect the price of the shares for up to 30 days from the first day of trading of the shares. Specifically, SEB, the Selling Shareholders and the Company have agreed that Danske Bank, in its capacity as stabilising manager (the “**Stabilising Manager**”), may over-allot shares or effect transactions with a view to support the market price of the shares at a level higher than that which might otherwise prevail. The Stabilising Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken. If undertaken, the Stabilising Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilising Manager does not intend to disclose the extent of any stabilisation transactions.