

## Raketech Streamlines US Operations with Sale of Non-Core Advisory Business

Raketech Group Holding Plc (“Raketech” or “the Company”), today announced that the Company has reached an agreement to divest its non-core US advisory business. The total sale proceeds amount to USD 2.25 million settled partially on closing and via an ongoing revenue share agreement.

### Background

In December 2021, Raketech acquired the US business ATS Consultants Inc (“ATS”). ATS consisted of several high-value lead-generating sports tipster websites, highly dependent on a manual lead conversion sales team.

Over the past year, the Company has successfully increased traffic to its US tipster websites and transitioned the business model from a manual, high-touch process to a fully digital lead conversion model for multi-capper picks and predictions (“MCP”).

This success led to a comprehensive review of the US business operations and assets, which resulted in the decision to divest the high-touch US tipster advisory sales business. The sale aligns with the Company's strategy to focus on its core digital strengths and maximise growth opportunities.

The Company will continue to leverage its flagship US assets, Winnersandwhiners.com and Statsalt.com, along with picksandparlays.com, which together attract approximately 50 million sessions annually.

### Key highlights:

- The review, completed in Q2 2024, highlighted the significant potential for US digital subscription revenues and opportunities to increase affiliation revenues from our high-value tipster website assets.
- Strong traffic development has led to a significant increase in MCP sales and higher affiliation marketing revenue from leading US sportsbook operators.
- The review identified the underperforming high-touch advisory operations as increasingly non-core and subscale.
- An agreement has been reached to sell the tipster advisory operations to its management. Revenues for the 12 months to the end of Q1 2024 were USD 4 million with minimal EBITDA contribution. The total sale proceeds amount to USD 2.25 million settled partially on closing and via an ongoing revenue share agreement.
- In addition, the Company has signed an exclusive lead generation agreement guaranteeing a minimum fee of USD 250k over the next 12 months.

- The transaction is expected to close at the latest on 31 August 2024. The sale will result in a one-off non-cash impairment charge of approximately EUR 10m for the US assets.

## Johan Svensson, CEO of Raketech, comments:

"This strategic sale is an important step in streamlining our operations and focusing on our core strengths. By leveraging our high-quality US operations, our strategy is to maximize the growth potential in digitalized subscription and affiliate marketing revenues and expand our sub-affiliate marketing and partnership revenue streams. Despite the one-off non-cash impairment charge, we are confident that this move will enhance our focus, drive improved performance, and deliver long-term sustainable growth and value creation."

## For more information, please contact:

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## About Raketech Group

**Raketech** is a leading online affiliate and content marketing company, with expertise in delivering comparison services for sports and gaming, online guides, communities, and social media products. Raketech guides sports and gaming enthusiasts to the best possible services, while also delivering high-quality traffic and leads to its partners. Raketech grows both organically and via acquisitions and operates its business in accordance with a clear framework for responsible affiliate marketing services. The company's shares are listed in Nasdaq First North Premier Growth Market with ticker RAKE. Carnegie Investment Bank AB (publ) is the company's Certified Adviser. For more information, visit [www.raketech.com](http://www.raketech.com).

*This information is information that Raketech is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-07-05 16:10 CEST.*

## Attachments

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