

21 February 2022
ASX Announcement
RAS Technology Holdings Limited (ASX: RTH)

RTH Delivers Strong Revenue Growth for 1H FY22

Highlights

- Strong trading for the half-year ended 31 December 2021 (**1H FY22** or **the Half**) with revenue of \$4.28 million up 90% from the previous corresponding period (**pcp**).
- Annualised monthly recurring revenue (**AMRR**)¹ of \$8.9 million as at 31 December 2021 up 89% compared to 31 December 2020.
- Gross profit² has grown in line with revenue up 93% for the Half vs pcp, with Gross margin percentage increasing to 84% (1H FY20 80%).
- Strong cash position to fund the growth strategies in FY22 and with a cash balance of \$12.3m as at 31 December 2021.
- Racing and Sports continues to focus on extending its geographic and product reach, particularly in the rapidly emerging US market and the established UK wagering sector.

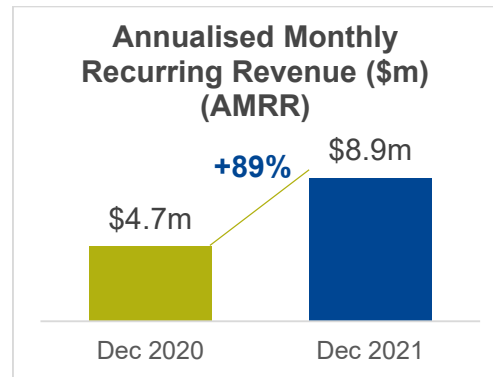
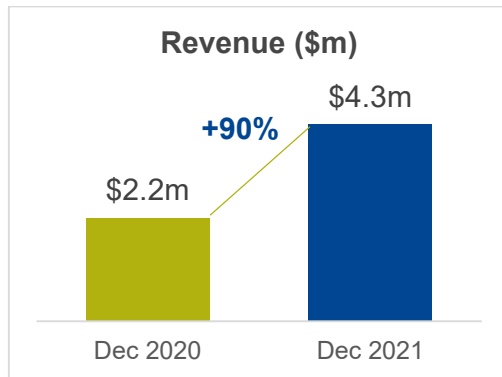
Following its successful IPO and ASX listing on 23 November 2021, RAS Technology Holdings Limited ('**Racing and Sports**' or the '**Company**') is pleased to provide its Appendix 4D and Half Year Financial Report for the six months ended 31 December 2021.

Record Revenue Growth:

During the Half the Company recorded record revenue of \$4.28 million up 90% compared to pcp. The growth in reported revenue has been derived from recurring revenue contracts reflected by the 89% increase in AMRR in the Half. The growth in AMRR since 31 December 2020 has been driven by the Wholesale and Specialist Data and Enhanced Content products (50%) and the Wagering Technology and Race Day Control solutions (46%) building on the early success of the Company's Trading Manager tool.

¹ AMRR defined as those customer contracts which have commenced billing.

² Gross profit is a non-statutory measurement based on Revenue less Cost of revenue being is comprised of direct data and processing costs, amortisation of intangible assets and direct labour costs for services provided.



Financial Summary

In line with the growth in revenue the Company has grown the Gross Profit up to \$3.60 million and improved the underlying Gross Profit Margins, up to 84% reflecting the scalability of the core Data and Enhance Content products and the Wagering Technology solutions.

EBITDA for the Half was (\$1.12 million); this result included the direct IPO costs of \$1.80 million that were expensed for the period as well as other IPO process related costs. The operating expenditure also represents the investment in management, commercial and development resources during the period to support the Company's strategic growth initiatives.

The cash and cash equivalents balance is \$12.28 million as at 31 December 2021.

| | 31/12/2021 \$million | 31/12/2020 \$million | % Change |
|---------------------------|-------------------------|-------------------------|-------------|
| Revenue | 4.28 | 2.25 | 90% |
| Gross Profit | 3.60 | 1.86 | 93% |
| EBITDA | (1.12) | 1.62 | N/A |
| Cash and cash equivalents | 12.28 | 2.05 | 499% |

Operational Summary

The Company has seen significant change for the Half.

On 23 November 2021, RAS Technology Holdings Limited completed an Initial Public Offering (IPO) and became listed on the Australian Securities Exchange (ASX). The IPO was significant event for the Company on many fronts. The \$11.2 million (net of costs) raised will fund the resources identified to execute on the growth initiatives outlined in the IPO Prospectus. The IPO also increased the Company's global profile and highlighted the full product suite available resulting in enhanced strategic relationships on a global basis.

The IPO process resulted in Entain Holdings Pty Limited (a subsidiary of Entain plc) one of the world's largest wagering operators taking a significant holding in the Company. Since the IPO, the Company has been working with Entain to explore commercial arrangements and future product roadmaps.

Throughout the Half the Company also extended its relationship and commercial arrangement with XB-Net. As announced on 20 December 2021, Racing and Sports entered into a new agreement to deliver its Trading Manager technology and Race-Day Control services on behalf of XB-Net racecourses (XB Net represents 60 racecourses and covers 45,000 races per year) throughout the United States and Canada covering thoroughbred, harness and greyhound racing for export to wagering operators worldwide so they can offer fixed odds betting on US racing.

The record revenue growth for the Half has been driven by an increase in Enterprise customers, penetration of the Wagering and Technology solutions and continued international expansion.

Enterprise customers have grown to 19 as of 31 December 2021, pleasing the Company has maintained a 100% retention rate with its Enterprise customers.

Annualised Monthly Recurring Revenue from Wagering and Technology has grown from \$0.23 million as at 31 December 2020 to \$2.15 million at the end of the Half. This increase reflects the expanded penetration of the Trading Manager platform and evolution of the Race-Day Control services with global wagering operators; both of these products are expected to continue to grow strongly in the near future.

The Company continues to expand its international footprint with 51% of revenue for the Half being derived from outside of Australia (up from 31% in 1H FY21). The strongest growth areas are the UK and the US, at 14% and 13% of revenue respectively. International expansion is one of the Company's strategic growth initiatives.

RAS Technology Holdings Limited has moved the principal place of business to Racing and Sports' new Canberra headquarters: Unit 4, Mezzanine Level, 55 Wentworth Avenue, Kingston ACT 2604.

Building for the future

The Company is focused on executing the Strategic Growth Initiatives as outlined in the IPO Prospectus, being International Expansion, Sports and Wagering Technology Product Development, B2C and Digital Media platforms, as well as the continued expansion of strategic partnerships.

During the Half, Racing and Sports has focused on the appointment of key hires to critical positions identified for the successful continuation of the Company's growth strategy. These hires add more than 40 years of direct experience in the racing, sports and wagering industries across Australia, UK, Europe and North America.

These key roles provide the Company with extensive experience and understanding of the US consumer and operator landscape (across racing and the emerging sports betting market) as well as experience in developing and marketing betting products globally.

The resourcing strategy supports the Company's growth focus on extending its geographic and product reach to take advantage of Australian and global opportunities.

International Expansion

International expansion will continue as a key focus area of the Company building on the success in the Half. The Company has committed additional resources in the UK and the US markets all with extensive experience and networks in the wagering industry.

The strategic relationships in the US and UK markets position the Company to take advantage of the continued growth of pari-mutuel betting for racing while staying engaged in the emerging fixed odds betting as legislation is developed in each of the states.

Racing and Sports continues to execute against its strategy for further international expansion in the UK, European and North American markets with several more opportunities in the early stages.

Product Development - Wagering Technology

The Company will continue to invest in enhancing its existing products including the Trading Manager platform building on its success with \$2.15 million of AMRR, as at 31 December 2021, as well as the continued development of new products including EziBetta. EziBetta is a white label, mobile application focused on providing punters with a remarkably simple to use tool to generate a sophisticated set of bets to meet their selected risk band. The Company expects to pilot EziBetta in the current quarter and with the application scheduled to be ready for commercial launch early in the fourth quarter of the current financial year.

Racing and Sports has continued to develop other Wagering Technology products including its 360° white label wagering platform which is expected to be released later in 2022.

Product Development - Sports

The Company is focused on defining the market strategy for sports products globally. Working with strategic partners to identify the areas of customer demand, Racing and Sports is focused on applying the scalable processing frameworks, automation, enhanced analytics and quality assurance that the Company is known for in the racing industry to the sporting market.

Digital and Media

Racing and Sports sees significant opportunity to expand the consumer customer base through the launch of an all-new digital and media product strategy on a global basis. The expansion of the Company's digital and media partnership network and the implementation of the market standard digital sales process will grow the B2B and B2C revenues creating further opportunities to coordinate unique opportunities for our B2B customers.

CEO, Stephen Crispe, commented:

“Racing and Sports has continued strong momentum in Q2FY22, the first quarter since our IPO. We are enjoying ongoing success with an increase in Enterprise customers, where we are now working with 19 and expect this trend to continue. We are putting the IPO funding to good use, materially growing the delivery and execution capability of the Company by adding senior and experienced personnel to the team to support our ambitious growth agenda.

“Our international business also continues to grow its share of revenue adding to the diversity of our top line revenue. We look forward to continuing to work with our partners, including XB-Net and Sky Racing World in the US, for additional commercial opportunities that take advantage of the evolving North American market.

“We continue to see tremendous opportunities to grow in 2022, especially in North America as uptake of online wagering grows dramatically. This combined with our transition into the sports data and analytics segment and implementation of our global digital and media strategy, creates an extremely exciting time for the Company.”

This announcement was authorised for release by the Board.

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About Racing and Sports

Founded in 1999, RAS Technology Holdings Limited (**Racing and Sports**) is a leading provider of fully integrated premium data and enhanced content to the global racing and wagering industries. It services consumer and enterprise markets and its clients span the spectrum of the racing and wagering industries such as Entain Group (including Ladbrokes and Neds), Flutter Group (including Sportsbet, Paddy Power and Betfair), Tabcorp, BlueBet Holdings Limited (ASX: BBT), Bet365, Singapore Pools, Australian Turf Club, Hong Kong Jockey Club and Racing Victoria.

Important Notice

RAS Technology Holdings Limited ACN 650 066 158 (ASX: RTH) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only. It does not constitute an offer, invitation, solicitation or recommendation regarding the purchase or sale of any securities in RTH, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, or financial situation or needs. Any investor must not act based on any matter contained in this announcement in making an investment decision but must make its own assessment of RTH and conduct its own investigations and analysis. Past performance is not a reliable indicator of future performance.