

1. Company details

| | |
|--------------------------|--|
| Name of entity: | RAS Technology Holdings Limited |
| ABN: | 16 650 066 158 |
| Reporting period: | For the half-year ended 31 December 2022 |
| Previous period: | For the half-year ended 31 December 2021 |

2. Results for announcement to the market

| | | | | \$'000 |
|---|----------|-------|----|--------|
| Revenues from ordinary activities | up | 44.5% | to | 5,708 |
| Loss from ordinary activities after tax attributable to the owners of RAS Technology Holdings Limited | improved | 66.2% | to | (564) |
| Loss for the half-year attributable to the owners of RAS Technology Holdings Limited | improved | 66.2% | to | (564) |

Comments

Financial Performance

During the half-year period from July to December 2022, revenue increased by \$1.8M to \$5.7M compared to \$3.9M for half-year period from July to December 2021.

Following on from the Company's Initial Public Offering (IPO) investment in increasing personnel and development of the Company's platform was carried out resulting in an increase in employment and technology expenses.

The Company recorded a loss during the half-year period amounting to \$0.56M compared to a

loss of \$1.66M for the previous corresponding period.

Financial Position

During the half-year period the net assets of the Company decreased by \$0.50M to \$13.33M (30 June 2022: \$13.83M) which resulted from the loss incurred during the half-year period.

The Company's working capital position decreased by \$0.91M to \$8.46M compared to \$9.37M as at 30 June 2022. The reduction in working capital was a result of a decrease in cash and cash equivalents for the half-year period due to the operating loss and investments in technology.

3. Net tangible assets

| | Reporting period (Cents) | Previous period (Cents) |
|---|--------------------------|-------------------------|
| Net tangible assets per ordinary security | 19.85 | 22.20 |

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends declared or paid during the half-year period.

Previous period

Final 2021 dividends were paid on 9 August 2021, of \$300,000 during the financial period. No dividends were declared in respect of the current financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Currently all accounting policies of the group are consistent with those adopted by its ultimate holding company, RAS Technology Holdings Limited.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of RAS Technology Holdings Limited for the half-year ended 31 December 2022 is attached.

12. Signed



Kate Carnell AO
Non-executive Chair

27 February 2023

RAS Technology Holdings Limited

ABN 16 650 066 158



Interim Report – 31 December 2022

| | |
|------------------------------------|---|
| Directors | Kate Carnell AO (Non-executive Chair) Gary Crispe (Executive Director) Greg Nichols (Non-executive Director) James Palmer (Non-executive Director) Sophie Karzis (Non-executive Director) |
| Chief Executive Officer | Stephen Crispe |
| Chief Financial Officer | Tim Olive |
| Company Secretary | Justin Mouchacca |
| Registered office | Level 21, 459 Collins Street Melbourne Victoria 3000 Phone: +61 3 8630 3321 |
| Principal place of business | Unit 4, Mezzanine Level 55 Wentworth Avenue Kingston ACT 2604 |
| Share register | Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Phone: 1300 554 974 |
| Auditor | BDO Audit Pty Ltd 11/1 Margaret Street Sydney NSW 2000 |
| Stock exchange listing | RAS Technology Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: RTH) |
| Website | https://www.racingandsports.com/ |

| | |
|---|----|
| Directors' report | 3 |
| Auditor's independence declaration | 6 |
| Statement of profit or loss and other comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in equity | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 |
| Directors' declaration | 19 |
| Independent auditor's review report to the members of RAS Technology Holdings Limited | 20 |

The directors present their report on the consolidated entity consisting of RAS Technology Holdings Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of RAS Technology Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

| |
|---|
| Kate Carnell AO (Non-executive Chair) |
| Gary Crispe (Executive Director) |
| Greg Nichols (Non-executive Director) |
| James Palmer (Non-executive Director) |
| Sophie Karzis (Non-executive Director) |

Principal activities

RAS Technology Holdings Limited trading as Racing and Sports, a leading provider of fully integrated premium data, enhanced content, and SaaS solutions to the global racing and wagering industries.

Racing and Sports currently services a longstanding, established and geographically diverse customer base of racing bodies and authorities, wagering operators, media and digital organisations and retail and private clients.

The headquarters for Racing and Sports operations is located in Canberra, Australia, and an office in York, United Kingdom.

There has not been any change to the principal activities during the period.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$0.56 million (31 December 2021: loss of \$1.67 million).

Business Performance

The key operating metrics for the business include:

| | 2022 \$'000 | 2021 \$'000 | Variance \$'000 | Variance % |
|----------------------|----------------|----------------|--------------------|---------------|
| Revenue | 5,708 | 3,949 | 1,759 | 45% |
| AMRR | 11,152 | 8,905 | 2,247 | 25% |
| AARPEC | 425 | 405 | 20 | 5% |
| Enterprise Customers | 23 | 19 | 4 | 21% |

Revenue: Revenue derived from customer contracts during the period under review;

Annualised Monthly Recurring Revenue (AMRR): is measured as the annualised monthly revenue of customers that are active at half-year end;

Average Annualised Revenue per Enterprise Customer (AARPEC): is measured as the annualised monthly revenue per active Enterprise Customer at half-year end; and

Enterprise Customers: Active customers with revenue exceeding \$50,000 per annum.

Revenue for the half-year ending 31 December 2022 was \$5.71 million, and was up 44.5% vs 31 December 2021 of \$3.95 million. This increase is underpinned by the continued growth of the Company's data and enhanced content services with revenue of \$4.01 million (HY21 - \$2.88 million) and wagering technology products with revenue of \$1.37 million (HY21 - \$0.72 million).

As at 31 December 2022, AMRR has increased to \$11.15 million, this represents an increase in contracted revenue of 25% for the half-year vs 31 December 2021.

The business has also continued to focus on the expansion of products and services to existing Enterprise Customers resulting in AARPEC increasing 5% to \$0.425m vs the prior period of \$0.405m. The overall number of enterprise customers has increased for the half-year by 21% to 23 in total (HY21 - 19).

NON-IFRS MEASURES

The Directors' Report includes references to non-IFRS measures and have been derived from RAS Technology Holdings statutory accounts. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the business.

The Non-IFRS measures contained within this report include:

- Earnings Before Interest, Tax, Depreciation (EBITD), amortisation of internally developed intangible assets has been included in the Cost of revenue;
- Cost of revenue being costs that are directly related to the revenue including the cost of data and processing, amortisation of intangible assets directly related to revenue, direct labour costs for services provided and sales commissions; and

- Gross profit, which is determined in deducting Cost of revenue from the Revenue from contracts with customers.

Financial Performance:

Financial highlights for 31 December 2022 include:

- Revenue is up 44.5% to \$5.71 million (HY21 - \$3.95 million);
- Gross profit margin remains high at 81% (HY21 - 83%), with marginal cost of revenue increasing in line with the growth the wagering and technology revenues. Amortisation of intangible assets has also increased by \$0.10 million for the period.

| Non-IFRS profit and loss | 31 Dec 22 \$'000's | 31 Dec 21 \$'000's |
|---|-----------------------|-----------------------|
| Revenue from contracts with customers | 5,708 | 3,949 |
| Cost of revenue | (1,090) | (675) |
| Gross profit | 4,618 | 3,274 |
| EBITD | (317) | (1,744) |
| Depreciation expense | (235) | (154) |
| Finance costs | (35) | (30) |
| Loss before income tax benefit | (587) | (1,928) |
| Income tax benefit | 23 | 261 |
| Loss after income tax benefit | (564) | (1,667) |
| Cost of revenue | | |
| Data and processing expenses | 379 | 325 |
| Amortisation expense | 401 | 299 |
| Employee benefits expense and outsourced services | 222 | 51 |
| Sales commissions | 88 | - |
| Total cost of revenue | 1,090 | 675 |

Outlook:

In FY23 the business will continue to execute on the key growth initiatives as outlined in the prospectus. These initiatives include:

- International expansion: pursue growth in high-value target markets in the US, UK and Europe for Racing and Sports' range of products, analytics and services.
- Sports: develop new sports data and technology services and products for existing and new B2B wagering operators and B2C retail channels.
- Expanding wagering technology and services: target wagering operators in the US, UK and Europe for expansion of the 360° White Label Wagering Platform, Pricing Manager, Trading Manager, and Race-Day services.
- Maintaining strong growth of Racing Data and Content: we continue to increase penetration of our market leading racing data and content products across all client segments and geographies.
- Strategic partnerships: Racing and Sports intends to explore strategic partnerships with entities that may assist in accelerating the global growth and expansion of the Company.
- B2C: leverage brand, media, and digital assets to expand retail products available from the website. Development of interactive and data-rich mobile apps to attract global customers.
- Acquisitions: identify and engage with companies in key territories with a focus on racing, sports, data and technology, to accelerate growth.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Kate Carnell AO
Non-executive Chair

27 February 2023

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF RAS TECHNOLOGY HOLDINGS LIMITED

As lead auditor for the review of RAS Technology Holdings Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of RAS Technology Holdings Limited and the entities it controlled during the period.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 27 February 2023

For the half-year ended 31 December 2022

| | Note | Consolidated | |
|--|------|--------------------------|--------------------------|
| | | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
| Revenue | | | |
| Revenue from contracts with customers | 4 | 5,708 | 3,949 |
| Other income | 5 | 334 | 282 |
| Expenses | | | |
| Data and processing expenses | | (467) | (325) |
| Employee benefits expenses | | (3,471) | (1,872) |
| Depreciation and amortisation expense | | (635) | (453) |
| Finance costs | | (35) | (30) |
| Occupancy expenses | | (40) | (31) |
| IPO costs | | - | (1,799) |
| Administration expenses | | (1,640) | (1,575) |
| Technology expenses | | (341) | (74) |
| Loss before income tax benefit | | (587) | (1,928) |
| Income tax benefit | | 23 | 261 |
| Loss after income tax benefit for the half-year attributable to the owners of RAS Technology Holdings Limited | | (564) | (1,667) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | (6) | - |
| Other comprehensive income for the half-year, net of tax | | (6) | - |
| Total comprehensive income for the half-year attributable to the owners of RAS Technology Holdings Limited | | (570) | (1,667) |
| | | Cents | Cents |
| Basic earnings per share | 14 | (1.24) | (4.38) |
| Diluted earnings per share | 14 | (1.24) | (4.38) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

| As at 31 December 2022 | Note | Consolidated | |
|---------------------------------------|------|--------------------------|--------------------------|
| | | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 9,014 | 10,767 |
| Trade and other receivables | | 2,211 | 1,469 |
| Contract assets | | 289 | 54 |
| Other assets | | 414 | 121 |
| Total current assets | | 11,928 | 12,411 |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 481 | 604 |
| Right-of-use assets | 8 | 1,126 | 1,049 |
| Intangibles | 7 | 3,491 | 2,939 |
| Deferred tax asset | | 1,203 | 1,290 |
| Total non-current assets | | 6,301 | 5,882 |
| Total assets | | 18,229 | 18,293 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 2,435 | 2,171 |
| Contract liabilities | | 121 | 131 |
| Lease liabilities | | 278 | 230 |
| Employee benefits | | 631 | 505 |
| Total current liabilities | | 3,465 | 3,037 |
| Non-current liabilities | | | |
| Contract liabilities | | 48 | - |
| Lease liabilities | | 942 | 905 |
| Deferred tax liabilities | | 297 | 407 |
| Employee benefits | | 29 | 16 |
| Provisions | | 123 | 100 |
| Total non-current liabilities | | 1,439 | 1,428 |
| Total liabilities | | 4,904 | 4,465 |
| Net assets | | 13,325 | 13,828 |
| Equity | | | |
| Issued capital | 9 | 13,424 | 13,424 |
| Reserves | | 627 | 566 |
| (Accumulated losses)/retained profits | | (726) | (162) |
| Total equity | | 13,325 | 13,828 |

The above statement of financial position should be read in conjunction with the accompanying notes

For the half-year ended 31 December 2022

| Consolidated | Issued capital \$'000 | Retained profits \$'000 | Reserves \$'000 | Total equity \$'000 |
|---|--------------------------|----------------------------|--------------------|------------------------|
| Balance at 1 July 2021 | 51 | 2,495 | - | 2,546 |
| Prior period adjustment (refer to Note 2 Revenue Recognition) | - | 329 | - | 329 |
| Balance at 1 July 2021 - restated | 51 | 2,824 | - | 2,875 |
| Loss after income tax benefit for the half-year | - | (1,667) | - | (1,667) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - |
| Total comprehensive income for the half-year | - | (1,667) | - | (1,667) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs | 13,273 | - | - | 13,273 |
| Share-based payments (note 15) | - | - | 503 | 503 |
| Balance at 31 December 2021 | 13,324 | 1,157 | 503 | 14,984 |

For the half-year ended 31 December 2022

| Consolidated | Issued capital \$'000 | Accumulated losses \$'000 | Reserves \$'000 | Total equity \$'000 |
|--|--------------------------|------------------------------|--------------------|------------------------|
| Balance at 1 July 2022 | 13,424 | (162) | 566 | 13,828 |
| Loss after income tax benefit for the half-year | - | (564) | - | (564) |
| Other comprehensive income for the half-year, net of tax | - | - | (6) | (6) |
| Total comprehensive income for the half-year | - | (564) | (6) | (570) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments (note 15) | - | - | 67 | 67 |
| Balance at 31 December 2022 | 13,424 | (726) | 627 | 13,325 |

The above statement of changes in equity should be read in conjunction with the accompanying notes

For the half-year ended 31 December 2022

| | Consolidated | |
|--|--------------------------|--------------------------|
| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 5,611 | 3,833 |
| Payments to suppliers and employees (inclusive of GST) | (6,443) | (3,412) |
| Payments for IPO costs | - | (1,799) |
| Receipts from government grants and subsidiaries | - | 188 |
| Income taxes paid | - | (80) |
| Interest received | 104 | 2 |
| Interest paid | (35) | (30) |
| Net cash used in operating activities | (763) | (1,298) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (60) | (509) |
| Payments for intangible assets | (952) | (714) |
| Proceeds from disposal of property, plant and equipment | 130 | 76 |
| Net cash used in investing activities | (882) | (1,147) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | - | 14,000 |
| Share issue costs | - | (970) |
| Dividends paid | - | (300) |
| Repayment of borrowings | - | (11) |
| Principal repayment of lease liabilities | (108) | (44) |
| Net cash (used in)/from financing activities | (108) | 12,675 |
| Net (decrease)/increase in cash and cash equivalents | (1,753) | 10,230 |
| Cash and cash equivalents at the beginning of the financial half-year | 10,767 | 2,049 |
| Cash and cash equivalents at the end of the financial half-year | 9,014 | 12,279 |

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover RAS Technology Holdings Limited as a consolidated entity. The financial statements are presented in Australian dollars, which is RAS Technology Holdings Limited's functional and presentation currency.

RAS Technology Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

| Registered office | Principal place of business |
|--|--|
| Level 21 459 Collins Street Melbourne Victoria 3000 Phone: +61 3 8630 3321 | Unit 4, Mezzanine Level 55 Wentworth Avenue Kingston ACT 2604 |

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public

announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Revenue recognition

Prior period adjustment

During the period, the Group has continued to review and improve its alignment of revenue recognition and billing practices in order to ensure compliance with AASB 15 Revenue from Contracts with Customers. As a result, the Group has identified amounts of revenue which related to prior periods dating back to years prior to the comparative balances, which were not recognised as revenue in the year they were earned. The Group has since corrected this difference between billing and revenue recognition for its customers that are billed monthly, which has resulted in a correction to prior period balances.

As a result, the Directors have recognised an adjustment to opening retained earnings reflecting amount of revenue that was related to prior years, resulting in a restatement of the balances of opening retained earnings and contracts as at 1 July 2021. Consequently, the balances of retained earnings in the comparative period have increased by \$329,000, whilst revenue in the comparative period has been reduced by \$329,000.

No other balances or line items in the comparative figures have been affected by this correction and there is no ongoing impact on the 2023 financial results.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and

Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The Group provides Wagering Technology solutions including software and race day controls as well and Data as a Service solutions to the racing and sports wagering industries on a global basis. The Chief Executive Officer is the Chief Operating Decision Maker (CODM) and monitors the operating results on a consolidated basis, and accordingly, the Group has concluded that it has one reportable segment.

The internal management reporting presented to key business decision makers report total assets and liabilities on the basis consistent with that of the consolidated financial statements. These reports do not allocate assets and liabilities based on the operations of each segment or by geographical location.

Under the current management reporting framework, total assets are not reviewed to a specific reporting segment or geographical location.

| | Sales to external customers 31 Dec 2022 \$'000 | Sales to external customers 31 Dec 2021 \$'000 |
|-------------------|--|--|
| Australia | 2,833 | 1,868 |
| United Kingdom | 1,545 | 1,086 |
| United States | 785 | 533 |
| Rest of the World | 545 | 462 |
| | 5,708 | 3,949 |

Note 4. Revenue from contracts with customers

| | Consolidated | |
|---------------------------|-----------------------|-----------------------|
| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
| Data services | 4,009 | 2,880 |
| Digital & media | 319 | 291 |
| Consultancy & development | 7 | 59 |
| Wagering | 1,373 | 719 |
| | 5,708 | 3,949 |

Disaggregation of revenue

The consolidated entity derives its revenue from the delivery of the above services to its customers. The table above provides a breakdown of revenue by major business line. All revenue has been recognised over time as the performance obligations are satisfied. As disclosed in Note 3, the consolidated entity has one operating segment which derives revenues from a range of geographical locations.

Note 5. Other income

| | Consolidated | |
|--------------------------------------|-----------------------|-----------------------|
| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
| Government grant - R&D tax incentive | 187 | 280 |
| Other income | 147 | 2 |
| | 334 | 282 |

Note 6. Non-current assets - property, plant and equipment

| | Consolidated | |
|----------------------------------|-----------------------|-----------------------|
| | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
| Leasehold improvements - at cost | 435 | 427 |
| Less: Accumulated depreciation | (93) | (49) |
| | 342 | 378 |
| Plant and equipment - at cost | 257 | 205 |
| Less: Accumulated depreciation | (118) | (71) |
| | 139 | 134 |
| Motor vehicles | - | 193 |
| Less: Accumulated depreciation | - | (101) |
| | - | 92 |
| | 481 | 604 |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Leasehold improvements \$'000 | Plant and equipment \$'000 | Motor vehicle \$'000 | Total \$'000 |
|------------------------------------|----------------------------------|-------------------------------|-------------------------|-----------------|
| Balance at 1 July 2022 | 378 | 134 | 92 | 604 |
| Additions | 8 | 52 | - | 60 |
| Disposals | - | - | (86) | (86) |
| Depreciation expense | (44) | (47) | (6) | (97) |
| Balance at 31 December 2022 | 342 | 139 | - | 481 |

Note 7. Non-current assets - intangibles

| | Consolidated | |
|---|-----------------------|-----------------------|
| | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
| Software - work in progress | 915 | 770 |
| Software - at cost | 403 | 265 |
| Less: Accumulated amortisation | (64) | (26) |
| | 339 | 239 |
| Database development - at cost | 4,373 | 3,703 |
| Less: Accumulated amortisation and impairment | (2,136) | (1,773) |
| | 2,237 | 1,930 |
| | 3,491 | 2,939 |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Software – work in progress \$'000 | Software \$'000 | Database Development \$'000 | Total \$'000 |
|------------------------------------|--|--------------------|-----------------------------------|-----------------|
| Balance at 1 July 2022 | 770 | 239 | 1,930 | 2,939 |
| Additions | 145 | 137 | 670 | 952 |
| Amortisation expense | - | (37) | (363) | (400) |
| Balance at 31 December 2022 | 915 | 339 | 2,237 | 3,491 |

Note 8.

Non-current assets – right-of-use assets

| | Consolidated | |
|-----------------------------------|-----------------------|-----------------------|
| | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
| Office premises - right-of-use | 1,424 | 1,209 |
| Less: Accumulated depreciation | (316) | (182) |
| | 1,108 | 1,027 |
| Computer equipment - right-of-use | 26 | 26 |
| Less: Accumulated depreciation | (8) | (4) |
| | 18 | 22 |
| | 1,126 | 1,049 |

The Group's lease portfolio includes buildings, plant and equipment. These leases have an average of 5 years as their lease term.

The option to extend or terminate are contained in the property lease of the Group. There were no extension options for equipment leases. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which were reasonably certain to be exercised have been included in the calculation of the right of use asset.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Office premises \$'000 | Computer equipment \$'000 | Total \$'000 |
|------------------------------------|---------------------------|------------------------------|-----------------|
| Balance at 1 July 2022 | 1,027 | 22 | 1,049 |
| Additions | 215 | - | 215 |
| Depreciation expense | (134) | (4) | (138) |
| Balance at 31 December 2022 | 1,108 | 18 | 1,126 |

Note 9.

Equity – issued capital

| | Consolidated | | | |
|------------------------------|-----------------------|------------------------|-----------------------|------------------------|
| | 31 Dec 2022 Shares | 30 June 2022 Shares | 31 Dec 2022 \$'000 | 30 June 2022 \$'000 |
| Ordinary shares – fully paid | 45,458,585 | 45,458,585 | 13,424 | 13,424 |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

| | |
|------------------|---|
| Stephen Crispe | Chief Executive Officer |
| Robert Vilkaitis | Chief Technology Officer |
| Tim Olive | Chief Financial Officer (commenced 4 October 2022) |
| Andrew Burns | Chief Financial Officer (concluded 4 October 2022) |

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

Note 10.

Key management personnel disclosures

Directors

The following persons were directors of RAS Technology Holdings Limited during the financial half-year:

| | |
|-----------------|------------------------|
| Kate Carnell AO | Non-executive Chair |
| Gary Crispe | Executive Director |
| Greg Nichols | Non-executive Director |
| Sophie Karzis | Non-executive Director |
| James Palmer | Non-executive Director |

| | Consolidated | |
|------------------------------|-------------------|-------------------|
| | 31 Dec 2022 \$ | 31 Dec 2021 \$ |
| Short-term employee benefits | 604,152 | 296,766 |
| Post-employment benefits | - | 29,760 |
| Management services | 44,262 | 165,500 |
| Share-based payments | 79,750 | 353,321 |
| | 728,164 | 845,347 |

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial half-year:

Note 11. Related party transactions

Parent entity

RAS Technology Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 12.

Key management personnel

Disclosures relating to key management personnel are set out in note 10.

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | |
|--|-------------------|-------------------|
| | 31 Dec 2022 \$ | 31 Dec 2021 \$ |
| Sale of goods and services: | | |
| Rental payments – Office and storage to Racing and Sports Property Trust | - | 65,432 |
| Employment remuneration of related parties | 142,491 | 205,115 |

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There are no loan balances are outstanding at the reporting date in relation to loans with related parties.

Note 12. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|---|--|--------------------|------------------|
| | | 31 Dec 2022 % | 30 Jun 2022 % |
| Racing and Sports Pty Ltd | Australia | 100.00% | 100.00% |
| Racing and Sports IP Pty Ltd | Australia | 100.00% | 100.00% |
| Racing and Sports International Pty Ltd | Australia | 100.00% | 100.00% |
| Racing and Sports Limited | United Kingdom | 100.00% | 100.00% |

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Earnings per share

| | Consolidated | |
|---|-----------------------|-----------------------|
| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
| (Loss) after income tax attributable to the owners of RAS Technology Holdings Limited | (564) | (1,667) |

| | Number | Number |
|--|-------------------|-------------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 45,458,585 | 38,018,068 |
| Adjustments for calculation of diluted earnings per share: | | |
| Share options on issue | 1,701,602 | 1,701,602 |
| Adjustments for share options that are not dilutive | (1,701,602) | (1,701,602) |
| Share performance rights | 1,943,038 | 354,930 |
| Adjustments for share performance rights that are not dilutive | (1,943,038) | (354,930) |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 45,458,585 | 38,018,068 |

| | Cents | Cents |
|----------------------------|--------|--------|
| Basic earnings per share | (1.24) | (4.38) |
| Diluted earnings per share | (1.24) | (4.38) |

As at 31 December 2022, there were no options over ordinary shares that were considered to be dilutive. As the Group was in a loss position as at 31 December 2021, diluted earnings per share is the equivalent of basic earnings per share.

Note 15. Share-based payments

The Group has established an Equity Plan to provide long-term incentives to eligible employees, directors and contractors. Under the plan, cash, performance rights, options and shares may be granted to participants. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The vesting of options and performance rights are contingent on service based conditions. The

options will expire 24 months after their vesting dates. The performance rights options will expire 3 months after their vesting date.

Options are granted under the plan for no consideration and carry no dividend or voting rights. Performance rights carry no dividend or voting rights.

The options issued to Ord Minnett are on the same terms and valuation as the LTIP options - tranche 1.

| 31 December 2022 | | | | | | | |
|------------------|-------------|----------------|---------------------------------------|---------|-----------|-------------------------|-------------------------------------|
| Grant date | Expiry date | Exercise price | Balance at the start of the half-year | Granted | Exercised | Expired/forfeited/other | Balance at the end of the half-year |
| 23/11/2021 | 23/11/2024 | \$1.95 | 1,701,602 | - | - | - | 1,701,602 |
| | | | 1,701,602 | - | - | - | 1,701,602 |

| 31 December 2021 | | | | | | | |
|------------------|-------------|----------------|---------------------------------------|-----------|-----------|-------------------------|-------------------------------------|
| Grant date | Expiry date | Exercise price | Balance at the start of the half-year | Granted | Exercised | Expired/forfeited/other | Balance at the end of the half-year |
| 23/11/2021 | 23/11/2024 | \$1.95 | - | 1,768,269 | - | - | 1,768,269 |
| | | | - | 1,768,269 | - | - | 1,768,269 |

No options expired during the period.

Set out below are summaries of performance rights granted under the plan:

| 31 Dec 2022 | | | | | | | |
|-------------|------------------------------|-------------|---------------------------------------|-----------|-----------|-------------------------|-------------------------------------|
| Grant date | Vesting and exercisable date | Expiry date | Balance at the start of the half-year | Granted | Exercised | Expired/forfeited/other | Balance at the end of the half-year |
| 14/03/2022 | 30/09/2024 | 31/12/2024 | 301,282 | - | - | - | 301,282 |
| 28/03/2022 | 30/09/2023 | 31/12/2023 | 53,648 | - | - | - | 53,648 |
| 17/11/2022 | 01/10/2025 | 31/12/2025 | - | 144,947 | - | - | 144,947 |
| 23/12/2022 | 01/10/2023 | 31/12/2023 | - | 107,296 | - | - | 107,296 |
| 23/12/2022 | 01/10/2024 | 31/12/2024 | - | 107,296 | - | - | 107,296 |
| 23/12/2022 | 01/10/2025 | 31/12/2025 | - | 1,228,569 | - | - | 1,228,569 |
| | | | 354,930 | 1,588,108 | - | - | 1,943,038 |

For the performance rights granted during the current financial half-year, the valuation uses a volume weighted share price to determine the fair value, are as follows:

| Grant date | Expiry date | Share price at grant date | Share price hurdle for vesting | Fair value at grant date |
|------------|-------------|---------------------------|--------------------------------|--------------------------|
| 17/11/2022 | 31/12/2025 | \$0.72 | \$0.00 | \$0.715 |
| 23/12/2022 | 31/12/2023 | \$0.47 | \$0.00 | \$0.466 |
| 23/12/2022 | 31/12/2024 | \$0.47 | \$0.00 | \$0.466 |
| 23/12/2022 | 31/12/2025 | \$0.47 | \$0.00 | \$0.466 |

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Kate Carnell AO
Non-executive Chair

27 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RAS Technology Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of RAS Technology Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Clayton Eveleigh'. Above the signature, the letters 'BDO' are written in a similar cursive style.

Clayton Eveleigh
Director

Sydney, 27 February 2023