

Racing and Sports, Waterhouse VC enter Strategic Growth Partnership

Highlights

- **Racing and Sports forms global partnership with Waterhouse VC to help accelerate growth**
- **Deal set to expand the opportunities and pipeline for Racing and Sports**
- **Performance-based milestones tied to shareholder value creation for delivering up to \$35 million in new revenue**
- **Waterhouse VC to provide access to their extensive global network**

RAS Technology Holdings Ltd (ASX:RTH) ('RAS' or 'the **Company**'), a leading provider of fully integrated premium data and enhanced content and technology solutions to the global racing and wagering industries, is pleased to announce a strategic partnership with gaming and wagering industry investor Waterhouse VC Pty Ltd as trustee of the Waterhouse VC Unit Trust ("**Waterhouse VC**") and its service company Waterhouse Contractor Pty Ltd ("**Waterhouse Contractor**"). The partnership is set to accelerate growth for RAS by expanding opportunities and the pipeline, with Waterhouse VC providing access to their extensive global network. Waterhouse Contractor will provide advisory services in relation to sales referrals, acquisitions and other commercial deals, which leverage Racing and Sports core products and services including its trading technologies, complete racing solution stack as well as premium content and analytics.

Waterhouse VC Chief Investment Officer (**CIO**), Tom Waterhouse, has an extensive pedigree in the wagering industry and brings with him a wealth of knowledge and experience, combined with a superior network of global wagering participants, to the partnership. Further to this, the Waterhouse VC fund has a significant representation of members from industry segments around the globe.

The strategic partnership arrangement with Waterhouse Contractor will operate for an initial term of 36 months from completion of the Placement or completion of the Potential Acquisition (defined below), whichever is later.

Under the terms of the strategic partnership, Waterhouse VC has been invited on the RAS register as a strategic investor through the placement of approximately 1.137m shares (2.5% of all shares currently on issue) at a 15% discount to the 15-day VWAP (up to 13 August 2024) to raise approximately \$1.354 million (before costs) ("**Placement**") and the issue of approximately 1.137m Options with a strike price of \$1.40 ("**Placement Exercise Price**") and expiring 36 months from the completion of the Placement ("**Placement Options**"). Completion of the Placement is expected to occur on 23 August 2024.

In addition to the Placement Options, Waterhouse Contractor or its nominated entity will be granted 4,549,608 options for the issue of up to additional 4,549,608 shares comprising up of a further 10% of the shares currently on issue broken into six tranches ("**Additional Options**"). Waterhouse Contractor has nominated Waterhouse VC to receive the Additional Options, which will be issued to Waterhouse VC on completion of the Placement.

A summary of the key terms of the Additional Options is as follows:

- o **Tranche 1:** 682,441 Additional Options with a strike price of \$1.68, being 120% of the Placement Exercise Price, and expiring 18 months from the date of satisfaction of Performance Milestone 1 (as defined below). The exercise of Tranche 1 of Additional Options is subject to RAS investigating, undertaking and completing the acquisition of a complementary business in the racing data and technology space ("**Potential Acquisition**") ("**Performance Milestone 1**"). If the Performance Milestone 1 is not satisfied on or before 23 August 2027, the Tranche 1 Options will lapse.
- o **Tranche 2:** 682,441 Additional Options with a strike price of \$1.68, being 120% of the Placement Exercise Price, and expiring 12 months from the date of satisfaction of Performance Milestone 2 (as defined below). The vesting and exercise of Tranche 2 of the Additional Options is subject to the Potential Acquisition generating at least 130% of the base period's annual revenue in the third year of operation following completion of the Potential Acquisition ("**Performance Milestone 2**"). If the Performance Milestone 1 is not satisfied on or before 23 August 2027, the Tranche 2 Options will lapse.
- o **Tranche 3:** 909,922 Additional Options with a strike price of \$1.89, being 135% of the Placement Exercise Price, and expiring on the earlier of 23 August 2028 or 12 months from the date of satisfaction of Performance Milestone 3 (as defined below). The vesting and exercise of Tranche 3 of the Additional Options is subject to Waterhouse Contractor delivering completed sales referrals, acquisitions and other commercial deals to the Company that result in the Company generating at least \$10m in incremental revenue during the period of 3 years following the Placement (excluding revenue from the Potential Acquisition) ("**Performance Milestone 3**").
- o **Tranche 4:** 909,922 Additional Options with a strike price of \$1.89, being 135% of the Placement Exercise Price, and expiring on the earlier of 23 August 2028 or 12 months from the date of satisfaction of Performance Milestone 4 (as defined below). The vesting and exercise of Tranche 4 of the Additional Options is subject to Waterhouse Contractor delivering completed sales referrals, acquisitions and other commercial deals to the Company that result in the Company generating at least \$20m in incremental revenue during the period of 3 years following the Placement (excluding revenue from the Potential Acquisition but including any revenue contributing to the satisfaction of the relevant performance milestones of Tranche 3 of the Additional Options) ("**Performance Milestone 4**").
- o **Tranche 5:** 682,441 Additional Options with a strike price of \$1.89, being 135% of the Placement Exercise Price, and expiring on the earlier of 23 August 2028 or 12 months from the date of satisfaction of Performance Milestone 5 (as defined below). The vesting and exercise of Tranche 5 of the Additional Options is subject to Waterhouse Contractor delivering completed sales referrals, acquisitions and other commercial deals to the Company that result in the Company generating at least \$27.5m in incremental revenue during the period of 3 years following the Placement (excluding revenue from the Potential Acquisition but including any revenue contributing to the satisfaction of the relevant performance milestones of Tranches 3 and 4 of the Additional Options) ("**Performance Milestone 5**").

- o **Tranche 6:** 682,441 Additional Options with a strike price of \$1.89, being 135% of the Placement Exercise Price, and expiring on the earlier of 23 August 2028 or 12 months from the date of satisfaction of Performance Milestone 6 (as defined below). The vesting and exercise of Tranche 6 of the Additional Options is subject to Waterhouse Contractor delivering completed sales referrals, acquisitions and other commercial deals to the Company that result in the Company generating at least \$35m in incremental revenue during the period of 3 years following the Placement (excluding revenue from the Potential Acquisition but including any revenue contributing to the satisfaction of the relevant performance milestones of Tranches 3, 4 and 5 of the Additional Options) ("**Performance Milestone 6**").

All fully paid ordinary shares under the Placement, the Placement Options and the Additional Options will be issued utilising the Company's placement capacity in accordance with ASX Listing Rule 7.1.

The strategic partnership agreement contains a restriction on Waterhouse Contractor or Waterhouse VC short-selling shares in RAS.

Furthermore, Waterhouse Contractor has agreed to provide RAS with a right of first refusal during the term on all relevant opportunities or transactions it intends to pursue with a third party, or has a right to refer a third party thereto, which fall within the RAS capability in the racing, sports and gaming sector (other than an opportunity to participate in the initial investment in the third party by Waterhouse VC). RAS is entitled to participate in place of the third party in such opportunities or transactions in its absolute discretion.

RAS CEO, Stephen Crispe, said:

"Racing and Sports has experienced unprecedented growth over the past 3 years since we undertook the IPO. The business has evolved significantly and is extremely well placed to support the global racing industry in both established and emerging markets. We continue to see strong growth ahead for the business with a record pipeline of opportunities across all geographies, which we believe will have a positive impact on the overall business and all stakeholders.

"We further believe that the relationship between RAS and Waterhouse VC will be a strong partnership and seek to unlock value across many opportunities around the globe. We consider the deal structure to represent a fair way for both parties to realise this value.

"The strong Waterhouse brand combined with the power of Racing and Sports data, technology and digital capabilities is expected to unlock new opportunities across all parts of the business, supported by new commercial models and complimentary verticals."

Waterhouse VC Managing Director, Tom Waterhouse, said:

"Waterhouse VC identified Racing and Sports as a leader in the racing and sports data industry with a management team that has lived and breathed this sector for decades.

"We see significant opportunities to leverage the Waterhouse VC network, built through 20 years in the industry and managing a wagering industry fund for five years, to deliver commercial partnerships and potential significant revenue for RAS.

"We're incredibly excited for both the Waterhouse VC fund and the future of Racing and Sports."

- Ends -

This announcement was authorised for release by the Board of RAS.

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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.

About Waterhouse VC

Waterhouse VC aims to invest in the undiscovered wagering industry leaders of tomorrow. Tom Waterhouse, Founder and CIO of Waterhouse VC, launched the fund to leverage his 20+ years of experience in gaming and wagering. With over 100 years in the industry, the Waterhouse family, as cornerstone investors, bring unmatched experience, contacts, and capital to the fund's portfolio companies.

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.

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