

## Strong End to FY22 and Revenue Growth into FY23

### Highlights

Strong trading in FY22 with revenue of \$8.33 million, up 57% year over year.

Annualised monthly recurring revenue (AMRR)<sup>1</sup> of \$8.92 million as at 30 June 2022 up 35% year over year.

Strong commercial outcomes delivered in FY22:

- Exclusive distribution deal with US rights holder XB-Net for enhanced content to Australia & New Zealand wagering operators;
- Strategic partnership with Sky Racing World which will deliver opportunities to distribute enhanced data and content to wagering operators in the North American market
- Signed contract with TVG in the US for the supply of enhanced racing content for a US audiences

Growth accelerating into FY23:

- Expanded commercial deal with Entain Australia (owner of Ladbrokes & Neds) to be its sole supplier of racing form and content.
- 2 new Enterprise Customers taking total Enterprise customers to 21 and 2 non-Enterprise customers contracted so far.

Launch of the Risk Managed Trading Service with strategic partner Racebook HQ and powered by Racing and Sports' industry leading data and analytics, as a B2B solution intended for existing and new wagering operators looking to completely outsource their bookmaking pricing and trading activities to cover racing worldwide.

Gross Profit<sup>2</sup> has grown in line with revenue, up 53% YTD, with Gross Profit Margin at 82% vs 85% in the prior corresponding period.

Low cash burn of \$1.23m in the June Quarter sees strong cash position at Jun 30 2022 of \$10.77m with which to fund continued growth.

Average annualised revenue per Enterprise customer grew to \$410k as at 30 June 2022, up from \$344k as at 30 June 2021.

Continued focus on expanding operations into target growth areas such as the UK, Europe and North America markets for continued sales and distribution of enhanced content and wagering products, particularly centred around new age racing content, sports analytics, and the industry leading Racing and Sports Trading Manager product.

<sup>1</sup> AMRR defined as those customer contracts which have commenced billing.

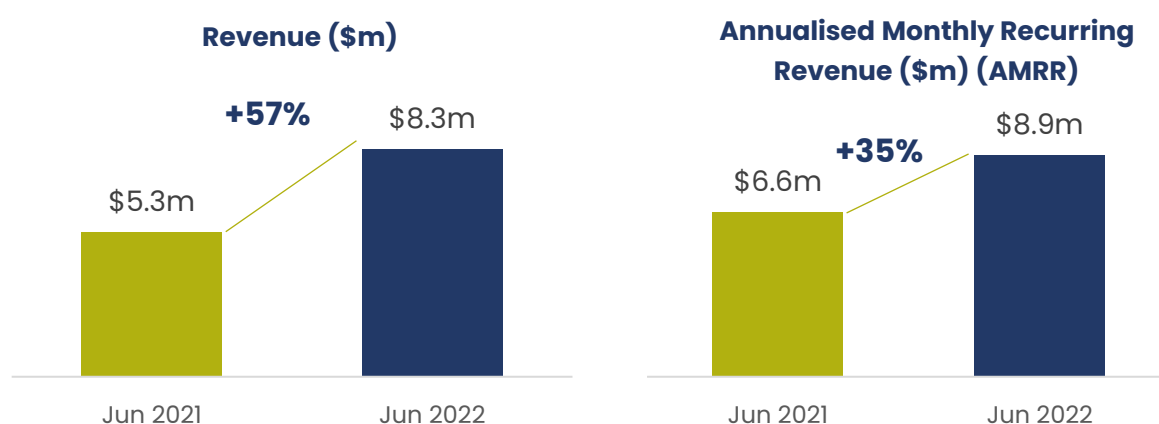
<sup>2</sup> Gross profit is a non-statutory measurement based on Revenue less Cost of revenue being is comprised of direct data and processing costs, amortisation of intangible assets and direct labour costs for services provided.

## Full Year Revenue Growth

The Company has reported record revenue for FY22 of \$8.33m, up 57% year on year. This is a very pleasing result given management's focus on the execution of the IPO in the first half of FY22 and the travel limitations imposed by COVID inhibiting management's ability to get in front of our international and enterprise customers.

Continued business development efforts have resulted in an increase in the Annualised Monthly Recurring Revenue to \$8.92 million, a 35% increase in AMRR year on year, establishing a strong platform to underpin continued growth into FY23.

The growth in reported revenue is driven by recurring revenue contracts and reflected in the growth in AMRR since 30 June 2021. This has been driven by the Wholesale and Specialist Data and Enhanced Content products representing 62% of the growth in AMRR and the Wagering Technology and Race Day Control solutions accounting for the balance.



### CEO, Stephen Crispe, commented:

"Racing and Sports has delivered a strong year-end result with robust revenue and AMRR growth versus FY2021. Importantly, we have been working hard with our strategic partners, existing and new customers, to lay the foundation for growth into FY2023, these efforts are already bearing fruit.

We continue to execute on our global expansion plans with new and expanded commercial partnerships internationally, while also building opportunities with Sky Racing World and XB-Net in the US, and GBGB in the UK. Our Enterprise customer numbers continue to increase.

We see tremendous growth opportunities in FY2023, especially in the UK and European markets, but also in North America, with increased demand for high quality content, data, and analytics products and services covering racing globally. Our strong balance sheet leaves us well placed to capture these opportunities.

We have made outstanding progress in the year with respect to product development in our wagering technology business and the launch of our new product offerings remains on schedule. EziBetta, which we are particularly excited about, is set to be released towards the end of 2022.

We remain focussed in our search for acquisitions and partnership opportunities that accelerate the global growth of the Company through technology, speed to market or innovation.”

**Chair, Kate Carnell, commented:**

“The Company has remained focussed on its objectives from the IPO in November, growth remains strong and importantly, a solid foundation has been established for further sustained international expansion. The executive team has the Board’s full support with its exciting plans for the future which will see the Company continue to evolve and embrace new and emerging opportunities as they arise.”

## Financial Summary

In line with revenue growth Gross Profit increased to \$6.84 million. The Gross Profit Margin has reduced slightly (300 bp) to 82%, driven by the increase in Wagering Technology solutions and Race-Day Control revenue that requires additional data processing and direct labour costs as compared to the core Data and Enhance Content products.

	30 June 2022 \$million	30 June 2021 \$million	% Change
Revenue	8.33	5.29	57%
Gross Profit	6.84	4.49	52%
Cash and cash equivalents	10.77	2.29 <sup>3</sup>	526%

The cash and cash equivalents balance is \$10.77 million as at 30 June 2022. During the June Quarter the business maintained its strong focus on growing the business as well as managing costs resulting in net cash outflow of (\$1.23) million.

## Operational Summary

During the year the company focused on:

1. Executing its IPO in November 2021
2. Creating Strategic Partnerships and International Expansion
3. Evolving the Trading Manager into a full Risk Managed Trading Service
4. Development of New and Innovative Technology Products
5. Development of Sports Focussed Products
6. Increased Market Share with Global Digital and Media Assets
7. Building a Strong Pipeline of Opportunities Globally to Prosecute in FY23
8. Expanding Media Partnership Agreements with Major Racing Bodies

<sup>3</sup> Racing and Sports completed its IPO in November 2021

The record full year revenue growth continues to be driven by our growing Enterprise customer base that generate 87% of revenue, through recurring contracts for the Wholesale Data and Content product and continuing success of the Racing and Sports Trading Manager solution.

Enterprise customers remain a key focus of the commercial and delivery teams. While these customers typically have longer sales and integration cycle times, the Company's Enterprise customers increased to 19 as of 30 June 2022, up from 16 as of 30 June 2021. Once an Enterprise customer is fully integrated with our enhanced content and trading solutions there is a substantial revenue opportunity through the provision of a broader breadth of services. This dynamic has seen average annualised revenue per Enterprise customer grow to \$410k as at 30 June 2022, up from \$344k as at 30 June 2021.

Wagering Technology development and sales, specifically around the Trading and Pricing Manager, is our fastest growth product with AMRR reaching \$2.17 million as at 30 June 2022. This increase reflects the expanded penetration of the Trading Manager platform and evolution of the Race-Day Control services with our global enterprise customers.

Furthermore, the Company has included a Risk Managed Trading Service, provided by strategic partner Racebook HQ, for bookmakers and wagering operators seeking a completely outsourced solution, this service compliments the Company's existing fixed-odds Trading Manager platform which allows wagering operators who have an existing trading team, the ability to drive efficiency, consistency and performance through a high degree of automation and analytics. The risk Managed Trading Service provided by Racebook HQ and powered exclusively by Racing and Sports' proprietary data & analytics, expands the options available to the Company's customers and is based on blend of fixed-fee and revenue share arrangements.

Pleasingly, the risk Managed Trading Service, is currently being used for two wagering operators in Australia, with the combined brands handling in excess of \$300m turnover in fixed-odds racing in first year of operation. Now proven at scale, Racing and Sports partner to take total solution globally. This is an exciting evolution to the services already offered in the Wagering Technology business line as it delivers a highly effective turnkey solution to customers wanting to access the benefits accruing from the most advanced automated trading capabilities, analytics and modelling but without the overheads of establishing, managing and operating a team of in-house traders.

Earlier this year the Company expanded its range of enhanced data and content services to long-time customer, Sportsbet, to provide additional products on international thoroughbred and greyhound racing.

The Company continues development of enhanced betting-focussed Sports data and content products for B2B wagering operators, for launch into market in FY23. These will utilise the same Intellectual Property and advanced processing frameworks which drive the Company's existing highly successful racing data, content and analytics products, delivered daily to wagering operators around the globe.

During the year the Company won the competitive tender for a 5-year agreement with the Greyhound Board of Great Britain (GBGB). The contract includes an overhaul and

enhancement of the GBGB national database including the development of enhanced form and wagering analytics products to attract participation by new younger audiences.

Integrity is an important part of the Racing and Wagering industry and, pleasingly, the Company has been implementing its data-driven Integrity Platform with an Australian Principal Racing Authority (PRA), with strong interest from others. This platform informs Stewards of anomalous or suspect behaviour for horse, trainer and jockey performance against wagering activity.

The Company has successfully added new data service addendums for Bet365 to the existing master agreement, further cementing the close relationship between the two businesses. It has also signed several smaller contracts with significant upside and growth potential in the UK and European markets. Lastly, Racing and Sports has extended contracts with ATC to provide the exclusive on course media management and distribution service to mainstream media outlets.

## **Strong Growth Continues into FY2023**

The Company is starting FY2023 strongly, closing several opportunities that had been pushed out beyond June 30 2022 due to timing issues. Racing and Sports finalised the expanded deal with Entain Australia (owner of Ladbrokes and Neds) ('Entain Australia') extending the contract by a further 5 years at a value of \$5m. Racing and Sports is the sole provider of racing form and enhanced content to Entain Australia. This deal also includes the supply of Racing and Sports data for modelling and analytical purposes.

In a significant move into the North American market, the Company has signed an agreement with North America's leading advanced-deposit wagering (ADW) platform, TVG, to offer its enhanced international enhanced racing content and analytical information on tvg.com, TVG's mobile app and FanDuel Racing. TVG is owned by the global wagering powerhouse, Flutter Group (owners of BetEasy, BetFair, Paddy Power, SkyBet, SportsBet, and Timeform). Importantly, this data and content is supplied to TVG in a format that is familiar to domestic US punters with the aim of further increasing turnover and participation.

The Company also signed a new Enterprise Customer to provide its premium data services on a subscription basis. The customer is an analytics-focussed organisation who will receive supply of Racing and Sports high-quality and hard-to-get data for analysis, research and modelling of wagering markets.

Excitingly, several domestic and international commercial opportunities are being pursued around the newly introduced fully Risk Managed Trading Service.

Racing and Sports has signed an MOU with Planet Sport in the UK to partner in the digital and media space. This provides the Company with significant advantage establishing its digital brand and footprint across the UK and European markets, leading to additional advertising and cross-promotion opportunities.

Internationally, the Company has established an experienced, well-connected northern hemisphere sales team based in the UK, covering the US, UK and European markets. This has yielded immediate results with a pipeline of opportunities for data and content supply and

Racing and Sports Trading Manager subscription, some of which have already converted to signed contracts.

## Looking Forward

The wagering industry globally has seen strong growth over the past year and now with the North American market starting to come to life with sports betting being legalised in 26 jurisdictions (25 states and Washington DC) there looks certain to be plenty of opportunity in the mid-term future for the legalisation of fixed odds for racing, currently New Jersey is the only jurisdiction that has passed legislation.

In the more established markets, there is a drive for both efficiency and innovation from established and emerging wagering operators, this is largely due to the increased competition for customer acquisition and retention, as well as the rising cost of doing business (personnel, inflationary factors, taxes, fees, etc).

Racing and Sports is well positioned to expand its footprint in the UK and North American markets through the provision of enhanced content, wagering technology, trading manager platform, and digital and media assets where it can aid in customer acquisition, conversion and retention, as well as working with corporate wagering operators to drive efficiencies and save costs in back-office operations, such as trading.

Continued monitoring the changing global economic landscape and inflationary headwinds that emerged in late in FY22 and continue into FY23 is important. At present this doesn't appear to be impacting the strong momentum in the wagering industry, however any impact seen would likely be to drive cost-savings with customer acquisition and force wagering operators to locate efficiencies in their trading and content production. To this extent, Racing and Sports is a global leader in delivering automated solutions to drive cost-savings and efficiencies, as evidenced by the success of the highly automated Trading Manager platform and cost-effective enhanced content for global racing aimed at increasing customer participation and retention.

## Strategic Partnerships and International Expansion

Strategic partnerships remain a central theme to the Company's international expansion strategy. During the year the company continued working with these partners to progress joint opportunities and commercial agreements.

The Company continues to work on commercial opportunities with significant shareholder, Entain Australia. As noted above, shortly after year end Racing and Sports signed the recent multi-year commercial agreement for the supply of enhanced content, data and analytics for the coverage of international racing.

The commercial arrangement with XB-Net announced on 20 December 2021 saw Racing and Sports become the exclusive partner for both the enhancement and distribution of US racing content to Australia and New Zealand wagering operators. XB-Net represents the majority of US racecourses (over 80) covering 60,000 races per year in North America including some of the most prestigious racecourses and races in North America, such as Gulfstream Park



(Miami), Santa Anita Park (Los Angeles), California Golden Gate Fields (CA) and Pimlico Racecourse (Baltimore), the home of the world-famous Preakness Stakes. This market reach makes the XB-Net racing rights products the most desirable in North America.

Racing and Sports' expertise in enhancing data, combined with its extensive distribution networks, offers rights holders like XB-Net, access to new markets in which to monetise their product with licenced wagering operators. In turn for this service, Racing and Sports receives a fee based on the revenue generated by wagering operators who offer betting on the products in these markets. This provides the Company with direct leverage to wagering operator turnover. Following the implementation of the Racing and Sports Trading Manager technology and Race-Day Control service with XB-Net, more than 1300 race meetings have been covered thus far.

Focusing on the North American market, the agreement signed with Sky Racing World, a US-based subsidiary of Tabcorp, has meant greater access to customers across that region. Leveraging the commercial arrangement between Racing and Sports and Sky Racing World, the Company is able to provide enhanced content, data, informatics and analytics on international racing to US Wagering Operators in a format tailored specifically for North American audiences. The recent contract signed with TVG/FanDuel to provide enhanced content and analytics is a prime example of this dynamic.

In support of, and in addition to, the focus on North America, the company continues to deliver on the international expansion across the UK and Europe which have a more mature racing industry. Most recently, through the Company's UK-based commercial team under Brent Dolan Racing and Sports won a competitive tender for the overhaul and optimisation of the GBGB national form database, as well as the development of a suite of enhanced form and analytical products to improve GBGB's commercial relationship with sportsbook and media partners.

Separately, Racing and Sports has begun an on-track trial of an enhanced data and analytics product for selected UK greyhound tracks.

In the UK specifically, Racing and Sports continues its strong relationship with the Press Association (PA) and is actively working on the identification of additional joint opportunities.

Excitingly, the Company has recently signed a 3-year sponsorship agreement with the Australian Turf Club (ATC), effective 1 Aug, 2022, which will give it naming rights to the Group 2 Golden Pendant and Group 3 Doncaster Prelude races as well as 20 mid-week races per year. In addition to these naming rights this agreement entitles the Company to additional marketing benefits to promote the Racing and Sports brand to a global audience.

The strong recent commercial momentum outlined above is expected to continue with several additional key strategic deals across Australia, UK and North America in varying stages in the sales pipeline and negotiation.

## **Resource Stability**

Strong commercial growth and product development activities over FY2022 had driven the recruitment of key domestic and international management personnel critical to the

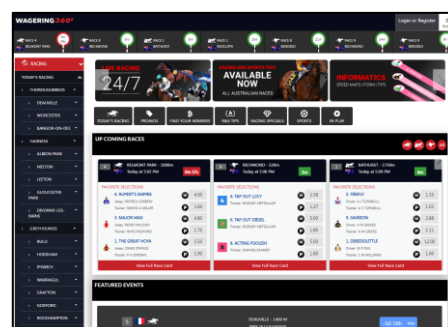
continued execution of the Company's growth strategy. However, the Company is now appropriately resourced for the opportunities at hand and does not foresee a significant increase in headcount the short term.

The Company is pleased to reiterate its welcome to Tim Olive who is joining the team in October 2022 as Chief Financial Officer (CFO). Tim replaces the Company's existing contract-CFO Andrew Burns whose contract term comes to an end in October 2022. We again thank Andrew for his valuable contribution, particularly through the IPO.

## Product Strategy Alignment

### Wagering – 360

Development continues on Wagering Technology products such as the Wagering-360 white-label wagering platform which remains on track for a Q2FY23 release. The platform provides a feature-rich, fully hosted, wagering platform to bookmakers seeking a complete Tier-1 style solution. This includes the Racing and Sports Trading and Pricing Manager, data and enhanced content, as well as promotion from the Racing and Sports digital assets.



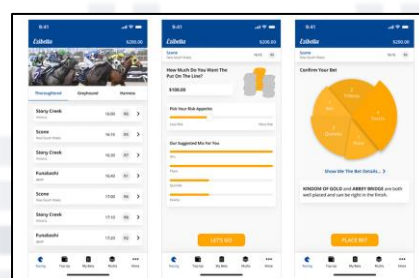
### Trading and Pricing Manager

The Company continues to invest in the enhancement and evolution of its market leading Trading and Pricing Manager platform to provide existing and new Wagering Operator customers with the most sophisticated and analytics-driven capability to optimise and automate trading operations, this platform enables the wagering operator trading team to gain efficiencies and accuracy. The inclusion of the fully Managed Trading Service provides customers with a full turnkey outsourced solution for their trading operations, whereby Racing and Sports, with risk management partner Racebook HQ, provide the platform and manage all trading activities.

### EziBetta

EziBetta, the innovative mobile application that provides punters with a simple interface to generate sophisticated bets, is approaching the end of its development cycle. The Company expects the EziBetta application to be commercially launched in Q2FY2023.

Furthermore, the Company has developed mobile racing apps for domestic and international venues which will be made available to end user consumers supported by the Racing and Sports' digital assets in the first half of FY2023. These apps provide a gamified and highly visual experience of racing data, supported by Racing and Sports proprietary analytics and predictive modelling, with integration capability to selected wagering operators.





## Sports Products

In addition to the already successful racing products, the Company has commenced working on interactive and analytics-driven sports focussed products and apps that build on the principles of the gamified racing experience technologies the Company has developed. These products are expected to be offered to B2B and B2C customers in the second half of CY22 and will provide a unique user experience combining analytics, content, as well as integration opportunities with selected wagering operators. Initial sports include a selection of Australian and international codes, with further sports planned in the roadmap for FY23 and beyond.

Lastly, product development around the refinement of our wholesale data, content and distribution products for racing and sporting events for B2B customers is continuing. This includes highly graphical and easy-to-consume visualisations based on analytics and predictive modelling targeted at a younger demographic to encourage participation on wagering events. In addition, the Company is well progressed in the creation of automated fully translated content products in Spanish, French and Korean. These products are being developed with the intention of targeting new market segments previously inaccessible or under-represented with wagering operators in both the US and UK. These products are expected to be available to existing and new wagering operator customers globally in Q2 FY2023.

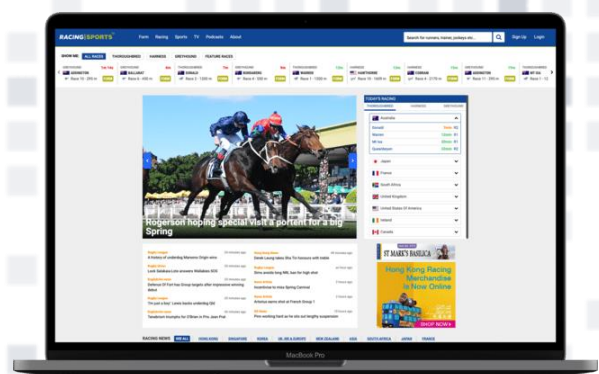
## Digital and Media Presence

The Company continues to enhance its global digital and media footprint with the development of innovative digital products and services for both B2C and B2B markets. Moreover, it has expanded the Racing and Sports digital platforms to include versions specific for, and hosted in, the UK and US. This will allow the Company to take full advantage of the crossover between media and wagering where there is a proven, natural alignment between high quality editorial, curated analytics and interactive features with wagering participation.

These digital platforms also enable Racing and Sports to support and promote the interests of rights holders, industry bodies and our customers through the highly distilled and “sticky” Racing and Sports global audiences. Currently, the Racing and Sports Australia website attracts over 2.5m unique visitors annually, which continues to grow.



**Old Website**



**New Website**

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. Its 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.



Australian Turf Club



The Hong Kong Jockey Club  
RIDING HIGH TOGETHER



**Racing  
Victoria**

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