

## RAS Continues strong revenue growth in Q1 FY23

### Highlights

Strong trading in Q1 FY23 with revenue of \$2.85 million, up 62% year on year (YoY).

Annualised monthly recurring revenue (AMRR)<sup>2</sup> of \$9.57 million as of 30 September 2022 up 41% YoY.

Strong commercial outcomes delivered in Quarter 1 FY23:

- Signed contract with TVG in the US for the supply of enhanced racing content for US audiences. Integration already completed and service will commence in Q2.
- Memorandum of Understanding (MOU) signed with Planet Sport in the UK and collaboration on co-design of Racing and Sports' UK digital assets commenced.

Growth accelerating into FY23:

- In July, the expanded commercial deal with Entain Australia (owner of Ladbrokes & Neds) was signed for Racing and Sports to be their exclusive supplier of racing form and content. The deal also included upfront one-off revenue for the purchase of analytics.
- Two new Enterprise customers were onboarded in July, taking the total number of Enterprise customers to 21. Additionally, two non-Enterprise customers were contracted in the period.

Launched Risk Managed Trading Service into market and onboarded first customer, Picklebet.

Gross profit<sup>3</sup> has grown in line with revenue, up 61% YTD, with gross profit margin at 83% vs 84% in the prior corresponding period.

Continued minimal cash outflow of \$0.82m in the Quarter, maintaining a strong cash position at Sept 30 of \$9.95m to fund continued growth.

Average annualised revenue per Enterprise customer grew to \$385k as of 30 September 2022, up from \$312k as of 30 September 2021.

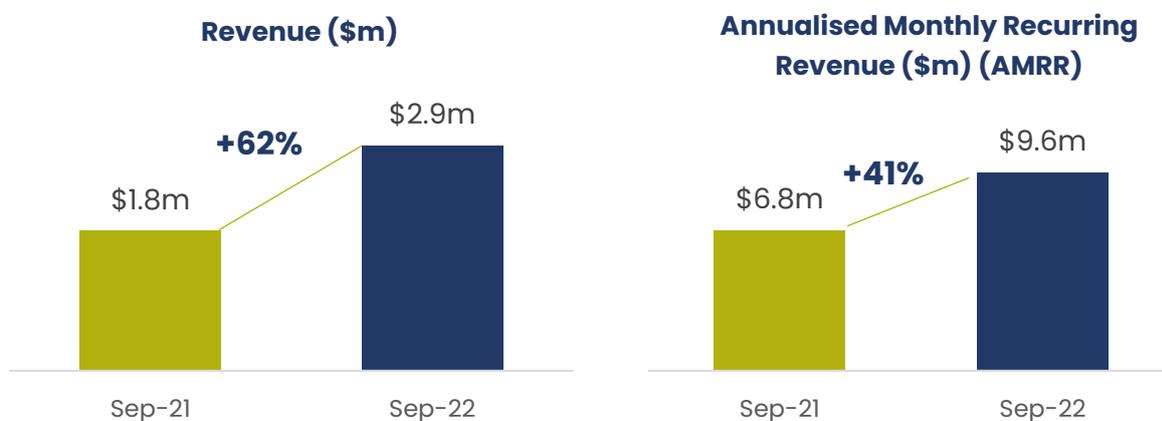
Continued focus on expanding operations into target growth areas such as the UK, European and North American markets for sales and distribution of enhanced content and wagering products, particularly centred around reimagined visual racing content, sports analytics and widgets, as well as the industry leading Racing and Sports Trading Manager product.

<sup>1</sup> Revenue for the period is based on management accounts and has not been audited.

<sup>2</sup> AMRR defined as those customer contracts which have commenced billing.

<sup>3</sup> Gross profit is a non-statutory measurement based on revenue less cost of revenue being comprised of direct data and processing costs, amortisation of intangible assets and direct labour costs for services provided.

RAS Technology Holdings Limited (ASX:RTH) ('Racing and Sports' or the 'Company') reported record first-quarter revenue of \$2.85m, up 62% YoY. The strong revenue growth is a result of continued business development efforts and is driven by recurring revenue contracts. AMRR increased 41% YoY to \$9.57 million with Wholesale Data and Content and Distribution as well as Specialist Data Services representing 55% of the growth and the balance attributable to Wagering Technology and Services.



## Financial Summary

In line with revenue growth, gross profit increased to \$2.36 million, up 61% YoY. The gross profit margin reduced modestly (1%) to 83%, driven by the increase in Wagering Technology and Services revenue. The Raceday Control service requires some additional data processing and direct labour costs compared to the core Data and Premium Content products, which maintains a high-level of scalability.

	30 September 2022	30 September 2021	Change YoY
Revenue	\$2.85m	\$1.76m	62%
Gross Profit	\$2.36m	\$1.47m	61%
Gross Profit (%)	83%	84%	(1%)
Cash and cash equivalents	\$9.95m	\$1.60m*	8.35m

\* IPO was completed in the Dec 2021 Quarter

During the Quarter, the business maintained its strong growth focus as well as cost management, resulting in net cash outflow of (\$0.82) million.

## Operational Summary

During the Quarter, the Company focused on:

- 1. Uptake of the Risk Managed Trading Service by Picklebet**
- 2. Continued development of sports focussed B2B products**
- 3. Increased market share with Global Digital and Media assets**
- 4. Continued building of a strong pipeline of tactical and strategic opportunities**
- 5. Expanding media partnership agreements with major racing bodies**

Revenue growth continues to be underpinned by the Company's growing Enterprise customer base, which generated 85% of revenue in the Quarter. This was via recurring contracts for the Wholesale Data, Content and Distribution product as well as the continued success of the Racing and Sports Trading Manager as part of the Wagering Technology and Services suite of solutions.

Enterprise customers remain a key focus of the commercial and delivery teams. While these customers typically have longer sales and integration cycles once an Enterprise customer is fully integrated with the Company's data and enhanced content and trading solutions there is a substantial revenue opportunity through the provision of a broader breadth of services. Enterprise customers increased to 21 as of 30 September 2022, up from 18 year over year. This dynamic has seen average annualised revenue per Enterprise customer grow to \$389k as of 30 September 2022, up from \$312k as of 30 September 2021.

Pleasingly, the Company has successfully launched its Risk Managed Trading Service with a new customer Picklebet. This is a service offered to wagering operators who are seeking a completely outsourced trading solution and complements the Company's existing fixed-odds Trading Manager platform. This allows wagering operators with 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 a blend of fixed-fee and revenue share arrangements. Both options will be made available as part of the Company's Wagering-360 white label wagering hosted platform which is due to be released in Q2/Q3 FY23.

## Continued strong growth in Q1 FY23

The Company has commenced FY23 with good momentum, finalising several new agreements, including the expanded deal with Entain Australia (owner of Ladbrokes and Neds) which extended the contract by a further five years at a value of \$5m over the life of the contract ramping up over the remainder of calendar year 2022. 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.

The Company also signed an agreement with leading North American advanced-deposit wagering (ADW) platform, TVG, to supply its enhanced international racing content and

analytical information on tvg.com, TVG's mobile app and FanDuel Racing. TVG is owned by global wagering powerhouse, Flutter Entertainment plc (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 customers 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-focused organisation which will receive Racing and Sports' high-quality and hard-to-obtain data for analysis, research, and modelling of wagering markets.

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

The Company's global sales team continues to build and maintain a substantial pipeline of opportunities across all parts of the Company's product and services portfolio.

The wagering industry globally continues to grow and with the North American market beginning to mature and evolve with the legalisation of sports betting in 26 jurisdictions, there is significant opportunity for the Company's data, content, and trading products.

In the more established markets, such as Australia and the UK, wagering operators are looking for efficiency and innovation. This is principally driven by the increased competition for customer acquisition and importantly retention, as well as the rising cost of doing business (personnel, inflationary factors, taxes, and other costs). Racing and Sports is well-positioned to assist operators to achieve operational efficiencies, as well as differentiate themselves to drive customer acquisition, retention, and brand loyalty.

## **Strategic Partnerships and International Expansion**

Strategic partnerships remain a central focus of the Company's international expansion strategy. Racing and Sports will continue collaborating closely with its partners to progress joint opportunities and commercial agreements throughout FY23.

The Company continues to explore opportunities with significant shareholder, Entain Australia. As noted above, Racing and Sports and Entain recently signed a multi-year commercial agreement for the supply of enhanced content, data and analytics providing premium coverage of international racing.

XB-Net continues to be a strong partner for Racing and Sports with several current and emerging opportunities being developed. XB-Net represents the majority of US racecourses (over 80) covering 60,000 races per year including some of the most prestigious racecourses and races in North America. These include Gulfstream Park (Miami), Santa Anita Park (Los Angeles), California Golden Gate Fields (CA) and Pimlico Racecourse (Baltimore), the home of the renowned Preakness Stakes. This market reach makes the XB-Net racing rights products the most desirable in North America.

Sky Racing World, a US-based subsidiary of Tabcorp, is a strategic partner with extensive access to wagering operators and ADWs across that territory. 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.

Racing and Sports continues its strong relationship with the UK based Press Association (PA) and is actively working on the identification of additional joint opportunities over and above the existing commercial relationship.

Pleasingly, Racing and Sports recently signed an agreement with the Victoria Racing Club (**VRC**) to provide its industry leading analytics, content, and AI powered animated race predictor as part of the VRC Inside Run Race Guide for the Melbourne Cup Carnival which is promoted to audiences around the globe.

## Management Update

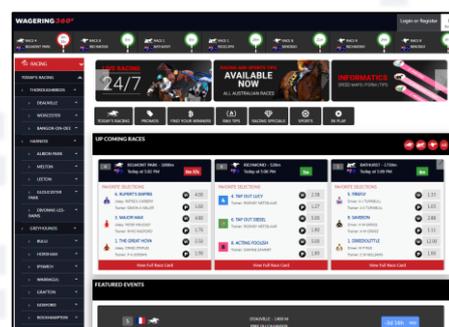
Racing and Sports is pleased to welcome Tim Olive. Tim has joined the team as Chief Financial Officer (**CFO**) replacing the Company's previous contracted-CFO, Andrew Burns, whose contract term was due to complete in October 2022. We again thank Andrew for his valuable contribution, particularly throughout the successful IPO.

The Company continues to manage resourcing carefully and in-line with growth and revenue, investing strategically ahead of the curve where required to advance products and services into market.

## Product Strategy Alignment

### Wagering-360

Development continues on the Wagering-360 white-label wagering platform which remains on track for a Q2/Q3 FY23 release into market. 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.

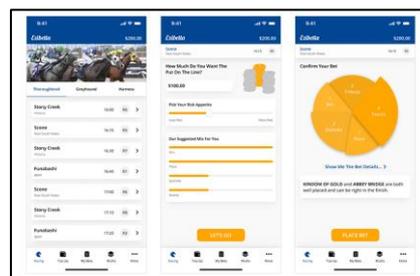


### Trading and Pricing Manager

The Company continues to invest in the Trading Manager platform to provide enhancements and add features to ensure its status as a market leader, with the most sophisticated and analytics-driven capability to optimise and automate trading operations for wagering operators. The platform enables the wagering operator trading teams to gain efficiencies and accuracy by providing a full turnkey outsourced solution for their trading needs.

## 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 Q2/Q3 FY23.



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

## Sports Products

In addition to its already successful racing products, the Company is continuing to develop interactive and analytics-driven sports focussed products and apps that build on the principles of the racing experience technologies the Company has developed. These products are expected to be offered to B2B and B2C customers in Q2/Q3 FY23 and will provide a unique user experience combining analytics, content, and integration opportunities with selected wagering operators. The initial sports include a selection of Australian and international codes, with additional sports in the roadmap for FY23 and beyond.

## Digital and Media

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 Racing and Sports' digital platforms to include versions specific for, and hosted in, the UK (Q2 FY23) and US (Q3/Q4 FY23). 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 its customers through the growing Racing and Sports global audience. Currently, the Racing and Sports Australia website attracts over 3.0m unique visitors annually, with numbers continuing to grow.

This announcement was authorised for release by the Board.

For Further Information:

### Investor Enquiries:

[investor.enquiry@racingandsports.com](mailto:investor.enquiry@racingandsports.com)

### Media Enquiries:

Mel Hamilton, M&C Partners

[Melissa.hamilton@mcpartners.com.au](mailto:Melissa.hamilton@mcpartners.com.au)

## 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

## Important Notice

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## RAS Technology Holdings Limited

Level 21, 459 Collins Street,

Melbourne, Victoria 3000

+61 3 8630 3321