

27 February 2023

ASX Announcement

RAS Technology Holdings Limited (ASX: RTH)

RAS Technology Holdings – H1 FY23 Results

RTH delivers record revenue, accelerates global growth

RAS Technology Holdings Ltd (ASX: RTH) ('RAS' or 'the Company') is pleased to announce its results for the six months ended 31 December 2022 ("H1 FY23").

H1 FY23 Highlights

- Record trading in H1 FY23 with revenue of \$5.71 million, +45% versus prior corresponding period (pcp).
- Annualised monthly recurring revenue (AMRR) of \$11.15 million, +25% versus pcp.
- Gross profit margin at 81% vs 83% in the pcp.
- Average annualised revenue per Enterprise customer grew to \$425k, +5% versus pcp.
- **Strong commercial outcomes delivered in H1 FY23:**
 - Signed contract with TVG in the US for the supply of enhanced racing content for US audiences.
 - Picklebet signed a 2-year deal with Racing and Sports to provide the Risk Managed Trading Service (RMTS) and customer facing content to power Picklebet's racing product.
 - Expanded 5-year deal with Entain valued at \$5 million to become the provider of all enhanced racing content to the Entain group in Australia.
 - Signed an agreement to manage the National Form Database for the Greyhound Board of Great Britain until 2027.
 - Two new Enterprise customers were onboarded in July, taking the total number of Enterprise customers to 23.
- **Operational Highlights H1 FY23:**
 - The Racing and Sports AI powered animated race predictors were used for the 2022 Melbourne Cup Carnival as part of the Victorian Racing Club's Inside Run race guide – receiving global awareness through its promotion.
 - Increased take-up of Trading Manager platform by wagering operators with Risk Managed Trading Service launched in Q1 FY23.
 - Built close working relationships with racing bodies and rights holders globally to drive revenue growth by enhancing, exporting, and promoting their product to new international wagering audiences and attracting new customers across geographies.

- Continued minimal cash outflow of \$1.75m in the half, maintaining a strong cash position at 31 December of \$9.01m to fund continued growth and take the Company to cash flow breakeven and beyond.
- Investor webinar to be held at 11.00 am today, Monday, 27 February 2023 (click [here](#) to register).

Commenting on the Company's performance in H1 FY23, CEO Stephen Crispe said:

"We're continuing to focus on product development, particularly around expansion into sports, where we are investing in acquiring the data, processing, and generating wagering focussed products for our customers. These investments are expected to pay dividends in delivering material revenue growth over the next 12 months, which will place the Company in a strong position to cease cash burn and move towards producing positive cash flow.

"There has been a significant shift in the wagering industry in terms of how it engages with a new audience. RAS is leading the charge through its innovative new wagering products as well as things like the VRC inside-run AI race predictor animations, venue buddy app, and soon to be launched EziBetta.

"Importantly, our international expansion continues to progress well as planned and has been done strategically through partnerships and targeted hires who come with existing broad networks and access to key decision makers. This surgical penetration into new international markets is key to keeping capital expenditure low while maximising impact, exposure and opportunities for the business.

"Fundamentally, data is at the core of everything Racing and Sports does. We are unique in our ability to capture and enrich data, productise this and sell it to our partners and the industry in racing across all major territories.

"We are now at an exciting juncture of expanding this to sports and targeting more geographies. We are certainly looking forward to delivering continued growth throughout the second half of FY23 and beyond."

Financial summary

Racing and Sports demonstrated strong momentum across key trading metrics during H1 FY23:

	H1 FY21	H1 FY22	H1 FY23	H1 FY22 to H1 FY23 Change
Revenue	\$2.2m	\$3.9m	\$5.7m	45%
Gross Profit	\$1.9m	\$3.3m	\$4.6m	41%
Gross Profit (%)	83%	83%	81%	(2%)

The Company is pleased to have increased its H1 revenue 45% versus the prior corresponding period ("pcp") to \$5.7 million. Annualised monthly recurring revenue increased 25% to \$11.2 million.

Gross margin declined to 81% during H1 FY23 (from 83% pcp), primarily as a result of the launch of RAS's fully managed trading service which is being done in partnership with our Risk Management trading partner, Racebook HQ.

Encouragingly, all business segments continued to deliver strong performance, each positively contributing to revenue. The break-up of RAS revenue is as follows – Wholesale Data and Content (~61%), Digital and Media (~5%), Specialist Data Services (~10%), and Wagering Technology & Service (~24%).



Operational summary

The Company's AI-powered animated race predictors were also used for the 2022 Melbourne Cup Carnival, reaching global audiences. Racing and Sports has also seen increased uptake of its Trading Manager platform and Risk Managed Trading Service, with global clients driving revenue growth. Data and content, as well as wagering technology, remain the biggest drivers of revenue and continue to grow strongly. The Company is committed to working with racing bodies and rights holders globally to promote their products and attract new customers across geographies.

Expanding sales teams and strategic partnerships for global growth

The Company has been leveraging its strong foundations for continued momentum in international markets by offering new products and services. To support this growth, Racing and Sports has increased its sales teams in both the UK and Australia. Additionally, the Company has leveraged its strategic partnerships in the UK/Europe and North American markets to drive revenue growth further. Racing and Sports is committed to working with racing bodies and rights holders globally to promote their products and attract new customers across geographies.

Outlook

Racing and Sports has experienced strong momentum through the start of Q3 2023, driven by a continued focus on building and maintaining a substantial pipeline of opportunities across all products and services, establishing new capabilities to drive future growth, and identifying and executing on new product innovation and customer opportunities. The Company continues to acquire and produce data and content for global wagering markets, which significantly adds to the breadth of B2B products available.

The Company is set to launch new products in Q4, including Wagering 360, enhanced sports data and products for B2B and B2C with both AFL and NRL being available now, sports trading within the Trading Manager Platform, and the EziBetta wagering app.

Additionally, Racing and Sports plans to expand its Trading Manager and Pricing Manager Platforms and Raceday control services to clients globally, while engaging with customers and partners to create revenue growth opportunities and unlock possibilities globally. The Company will retain its culture of agility and innovation to anticipate change and move ahead of its customers.

The Company's continued strategic investment in new products and services, for both racing and sports, and across all geographies, gives it a solid base to execute its growth plans. Also key to this strategy will be the focus on strategic partnerships to take advantage of new and emerging international opportunities to achieve rapid scale.

Resignation of Joint Company Secretary

The Company advises that Ms Angela Gunton has tendered her resignation as Joint Company Secretary effective 24 February 2023. The Company wishes to thank Ms Gunton for her years of service and wishes her all the best for her future endeavours. Mr Justin Mouchacca will continue as sole Company Secretary.

Investor webinar

The Company will host an investor webinar with Chief Executive Officer Stephen Crispe and Chief Financial Officer Tim Olive at 11.00am AEDT today, Monday, 27 February 2023, to discuss the results.

Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_Vmac58LfQ3a0HtDO_105bw

- Ends -

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

For Further Information:

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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.

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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