

23 November 2021
ASX Announcement
RAS Technology Holdings Limited (ASX: RTH)

Listing of RAS Technology Holdings Limited after successful completion of \$29.0 million Initial Public Offering

Highlights

- RAS Technology Holdings Limited (**Racing and Sports**) commences trading on ASX today.
- Racing and Sports is a leading provider of fully integrated premium data, enhanced content and SaaS solutions to racing and wagering customers covering 30 countries with flagship clients including Entain Group (including Ladbrokes and Neds), Flutter Group (including Sportsbet, Paddy Power and Betfair), Tabcorp, BlueBet (ASX: BBT) and Bet365.
- Racing and Sports raised \$29.0 million via an Initial Public Offering (**IPO**), fully underwritten by Ord Minnett Limited, achieving a market capitalisation of \$68.1 million at the time of listing.
- Racing and Sports generated annualised monthly recurring revenue (**AMRR**)¹ of \$6.6 million in June 2021 (up 75% year on year) and pro forma EBITDA of \$1.4 million in FY21.
- Racing and Sports is focused on extending its geographic and product reach, particularly in the rapidly emerging US online wagering sector and in new sports categories such as US basketball and football, as well as tennis, cricket, and other sports in the UK.

IPO Summary

RAS Technology Holdings Limited (**'Racing and Sports'** or the **'Company'**) is pleased to announce that it has been admitted to the official list of Australian Securities Exchange (**ASX**), raising \$29.0 million via a fully underwritten IPO of 19.3 million shares at \$1.50 per share. The Company's market capitalisation at the time of listing is \$68.1 million with 45.4 million shares on issue. Racing and Sports will commence trading on ASX on a normal settlement basis from today under ASX code "RTH".

The successful IPO represents a significant milestone for Racing and Sports, placing it in an even stronger position to accelerate its growth objectives through geographic and product expansion.

¹ 1. AMRR is measured as the annualised monthly revenue of customers that are active at period end and have commenced billing.

Founding shareholders sold a portion of their stake in the Company in the IPO, but retain collectively a 57.4% shareholding post the IPO. Ladbrokes Coral Group Limited, a subsidiary of Entain Plc, one of the world's largest sports betting and gaming groups, participated in the institutional offer and has a cornerstone shareholding of 10.3% at the time of listing.

The Racing and Sports Business

A Diversified Global Business

Founded in 1999, Racing and Sports is a leading provider of fully integrated, premium data, enhanced content, and software as a service (SaaS) solutions to the global racing and wagering industries covering 30 countries. Racing and Sports services clients across a number of product segments, including Wholesale Data, Content and Distribution, Wagering Technology and Services, Specialist Data Services, Digital and Media, and Consulting and Integrity Services.

Top Tier Customers

The Company's key customer segments span B2B and B2C categories and include clients across the whole 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 (ASX: BBT), Bet365, Singapore Pools, Australian Turf Club, Hong Kong Jockey Club and Racing Victoria.

Recurring Revenue Model

The Company generates revenue through both recurring / SaaS and transactional streams (linked to the Gross Gaming Revenue (**GGR**) of wagering operator customers) with the majority of Enterprise customers on multi-year contracts. Management has focused on increasing its recurring revenue base of both SaaS subscriptions and contracts as a percentage of GGR.

The Wholesale Data, Content and Distribution segment is the largest contributor accounting for ~64% of revenue in FY21. It supplies racing data and analysis, enhanced written and automated editorial content, advanced analytics as well as secure distribution of data to racing bodies, wagering operators and media partners.

Experienced Management

Led by co-founders, Gary Crispe and Robert Vilkaitis since 1999, and CEO, Stephen Crispe, the Company's management team has strong industry knowledge and longstanding relationships with key industry participants, including racing bodies, wagering operators and media organisations in Australia and overseas.

Strong Financial Results

Previous investment by Racing and Sports in its comprehensive racing database, enriched information products, extensive automation and highly scalable technologies and platforms has been a significant driver of financial performance in FY21 with annualised monthly recurring revenue of \$6.6 million, up 75% year on year and pro forma EBITDA of \$1.4 million. Growth in revenue and pro forma EBITDA have come primarily from new customer acquisitions as well as product and service expansions.

Trading Update

Since June 2021, trading has been robust. For FY22 the Company's performance has been strong with additional recurring revenue contracts with Enterprise Customers for \$1.6 million of annual value which have commenced billing as at 19 November 2021. The number of Enterprise Customers² reached 18 in November 2021, up 50% since June 2020. Average Annualised Revenue per Enterprise Customer (**AARPEC**) has also materially improved since June 2021, growing ~12% from \$344,000 to \$384,000.

Growth Strategy

The Company's growth focus is on extending its geographic and product reach and to leverage its strategic relationships and experience, combined with premium data, enhanced content and SaaS solutions to take advantage of Australian and global opportunities.

The Company's opportunities are broad and are summarised as follows:

	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.
	Expand Wagering Technology and Services	Target wagering operators in the US, UK and Europe in established markets for expansion of the 360° White Label Wagering Platform, Pricing Manager, Trading Manager, and RaceDay Control.
	B2C	Leverage brand, media and digital assets to expand retail products from the website, which attracted over two million unique visitors in the last 12 months to September 2021.
	Acquisitions	Identify and engage with companies in key territories with a focus on racing, sports, data and technology to accelerate growth.
	Strategic Partnerships	Explore strategic relationships with organisations that may assist in to accelerating the growth and expansion of Racing and Sports.

Table 1: Racing and Sports Growth Strategies

² A customer with revenue exceeding \$50,000 per annum

CEO, Stephen Crispe, commented:

“We are delighted with the level of support from institutional and retail investors. The success of the IPO is testament to the market’s enthusiasm not only for our highly scalable platform but the strength of our product offering, the scale of our global customer relationships and the international growth opportunities ahead of the business.

“Racing and Sports has been aggregating data and refining our product offering for over 20 years and, as the racing industry becomes more globalised, we’re in an outstanding position to offer that middleware layer between all racing jurisdictions and wagering operators that want to connect with each other.

“We see tremendous opportunities to grow, especially in the US from 2022 as online wagering grows dramatically, as well as into new sports internationally. Our trading performance in FY22 YTD has been very strong and the IPO funding gives us substantial firepower to continue this trend.”

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

For Further Information:

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About Racing and Sports

Co-founded by Gary Crispe and Robert Vilkaitis in 1999, RAS Technology Holdings Limited (Racing and Sports) is a leading provider of fully integrated premium data, enhanced content, and software as a service (SaaS) solutions to the global racing and wagering industries. Racing and Sports services clients across a number of product segments, including Wholesale Data, Content and Distribution, Wagering Technology and Services, Specialist Data Services, Digital and Media, and Consulting and Integrity Services. Its key customer segments span B2B and B2C categories and include clients across 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.
