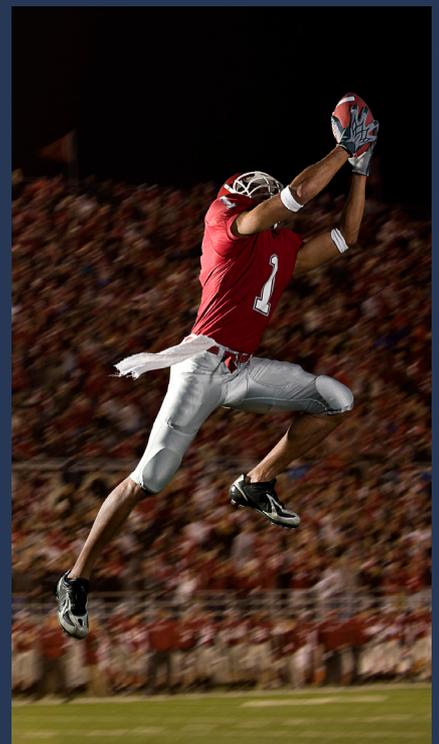


RACING AND SPORTS

Prospectus

RAS Technology Holdings Limited
ACN 650 066 158

For the fully underwritten initial public offering of 19.3 million Shares at an Offer Price of \$1.50 per Share to raise \$29.0 million.



This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Shares being offered under this Prospectus, or any matter relating to an investment in the Company.

Lead manager and underwriter

ORD MINNETT



Important notices

Offer

The Offer contained in this Prospectus is an invitation to apply for fully paid ordinary shares (**Shares**) in RAS Technology Holdings Limited ACN 650 066 158 (**Company**). This Prospectus is issued by the Company and RAS Technology Holdings SaleCo Limited ACN 654 574 786 (**SaleCo**).

Lodgement, listing and expiry

This Prospectus is dated 27 October 2021 and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day (**Prospectus Date**). The Company will apply to ASX Limited (**ASX**) within seven (7) days after the Prospectus Date for admission of the Company to the Official List and for the quotation by ASX of its Shares offered by this Prospectus. Neither ASIC nor ASX, or their officers takes any responsibility for the content of this Prospectus or the merits of the investment set out in this Prospectus.

The Company disclaims all liability, whether in negligence or otherwise, to persons who trade the Shares prior to receiving their holding statement.

This Prospectus expires on 27 November 2022 (**Expiry Date**) being 13 months after the Prospectus Date. No Shares will be allotted or issued on the basis of this Prospectus later than the Expiry Date.

Exposure Period

The *Corporations Act 2001* (Cth) prohibits the Company from processing Applications in the seven-day period after the date of lodgement of the Prospectus with ASIC (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven (7) days. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Not financial advice

Investors should read this Prospectus in its entirety before deciding to invest in the Company. In particular, investors should refer to Sections 4, 5 and 8 of this Prospectus for Financial Information relating to the Company and details of the risk factors that could affect the performance of the Company. There may be additional risk factors that should be considered by prospective investors in light of an investor's personal circumstances. The information in this Prospectus does not take into account the investment objectives, personal circumstances (including financial and taxation issues) and particular needs of investors. The information in this Prospectus is not financial product advice and investors should consider the prospects of the Company in light of their individual objectives, circumstances and needs. Investors should seek professional advice from a stockbroker, lawyer, accountant or other independent financial adviser before deciding to invest in the Company. Neither the Company, SaleCo nor any other person named in this Prospectus warrants or guarantees the successful performance of the Company, the repayment of capital, the payment of dividends, the price at which the Shares will trade on ASX or any return on investment made pursuant to this Prospectus.

No person is authorised to give any information, or to make any representation, in connection with the Offer described in this Prospectus, other than that which is contained in this Prospectus. Investors should rely only on information in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors, SaleCo, SaleCo's directors or any other person in connection with the Offer. This Prospectus includes information about past performance of the Company and investors should be aware that past performance should not be relied upon as being indicative of future performance.

Privacy

Applicants will be asked to provide personal information to the Company and SaleCo (directly or via its agents). Refer to Section 9.14 of this Prospectus for information on how the Company, SaleCo and their agents collect, hold and use this personal information.

Application Forms that do not contain all the requested information may not be able to be processed by the Company or SaleCo.

Once an Applicant becomes a Shareholder, the Corporations Act and taxation legislation will require certain information about the Shareholder to be included in the Share Register. In accordance with the requirements of the Corporations Act, the Share Register will be accessible by members of the Company. The information must continue to be included in the Share Register even when a Shareholder ceases to be a Shareholder.

Forward-looking statements

This Prospectus contains forward-looking statements prefaced by the words such as 'may', 'could', 'believes', 'estimates', 'anticipates', 'expects', 'intends' and other similar words. The forward-looking statements are based on an assessment of the present economic and operating conditions of the Company, as well as certain assumptions regarding future events and actions that are reasonably anticipated to occur as at the date of this Prospectus. Such statements and information should be read and considered in light of the risk factors set out in Section 5 of this Prospectus, the general assumptions and other information contained in this Prospectus. The forward-looking statements are not guarantees of future performance of the Company and are premised on known risks, uncertainties, assumptions and other factors many of which are beyond the control of the Company and its Subsidiaries. While the Company believes that the expectations reflected in the forward-looking statements in this Prospectus are reasonable, neither the Company, SaleCo nor any of the Subsidiaries gives any assurance that the results, performance or achievements stated or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on the forward-looking statements.

This Prospectus contains information based on industry forecasts, projections, management estimates and market data that has been obtained by the Company from third parties. The Company and SaleCo have not independently verified this information. There is no assurance that any outcomes predicated on such industry forecasts, projections and market data, to which this Prospectus refers, will be achieved. The Company and SaleCo make no representation and expressly disclaim any liability as to the completeness or accuracy of such information or projections. Estimates, forecasts and projections involve risks and uncertainties and are subject to change based on various factors including those disclosed in the risk factors set out in Section 5.

Neither the Company nor SaleCo has any intention to update or revise any forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or other factors affect the information contained in this Prospectus, other than to the extent required by law.

Industry and market data

This Prospectus, including the Industry Overview in Section 2 and the Company Overview in Section 3, contains statistics, data and other information (including forecasts and projections) relating to markets, market sizes, market shares, market segments, market positions and other industry data pertaining to the Company's business and markets. The Company has obtained significant portions of this information from market research prepared by third parties.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions.

There is no assurance that any of the forecasts or projections in the surveys, reports and surveys of any third party that are referred to in this Prospectus will be achieved. The Company has not independently verified, and cannot give any assurances as to the accuracy or completeness of, this market and industry data or the underlying assumptions used in generating this market and industry data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Restrictions on distribution

This Offer is available to Australian residents located in Australia. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. As at the date of this Prospectus, no action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of Shares outside Australia. Persons who obtain this Prospectus in jurisdictions outside of Australia may be restricted by the laws of the relevant jurisdiction from making an Application for Shares and should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For details of selling restrictions that apply to the Shares in certain jurisdictions outside Australia, please refer to Section 7.8.

This Prospectus may not be distributed to, or relied upon by, persons in the United States or who are US Persons. The Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any state of the United States, and may not be offered or sold in the United States, or to or for the account or benefit of a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

Obtaining a copy of this Prospectus

An electronic version of this Prospectus (the **Electronic Prospectus**) can be downloaded from <https://events.miraql.com/ras-ipo>. Any person accessing the Electronic Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Electronic Prospectus from within Australia. Persons who access this Prospectus electronically should ensure they download and read the entire Prospectus, accompanied by the relevant Application Forms. Applications for Shares may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form, or in its electronic form, which must be downloaded in its entirety from the website specified above together with a copy of this Prospectus. The Application Form may be generated by software accessible by the same means as the Prospectus. The Company will also send a copy of the Prospectus and Application Form free of charge to any person in Australia during the Offer Period.

Applications

An Application for Shares in the Company may only be made during the Offer Period on the Application Form attached to, or accompanying, this Prospectus in its paper form or in its electronic form, which must be downloaded in its entirety from <https://events.miraql.com/ras-ipo>. Please refer to Section 1.9 and Section 7 of this Prospectus for instructions as to how to make an Application for Shares.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a complete and unaltered paper copy or electronic version of this Prospectus. By making an Application, you represent and warrant that you were given access to this Prospectus, together with an Application Form. The Company reserves the right not to accept completed Application Forms if it has reason to believe that the Applicant has not received a complete copy of this Prospectus, and any relevant supplementary or replacement prospectus, or has reason to believe that the Application Form, or any of those documents, has been altered or tampered with in any way. Cooling-off rights do not apply to an investment in Shares offered under this Prospectus.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in the charts, graphs and tables is based on information available at the Prospectus Date.

Company website

Any references to documents included on the Company's website at <https://racingandsports.company/> are provided for convenience only and none of the documents or other information available on the website, or any other website referred to in the sources contained in this Prospectus, are incorporated in this Prospectus by reference.

Defined terms and abbreviations

Please refer to the Glossary Section of this Prospectus for explanations of defined terms and abbreviations used in this Prospectus.

Times, currencies, rounding

Unless stated or otherwise implied, references to times in this Prospectus are to local Melbourne time. All financial amounts shown in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums and components in charts, graphics and tables contained in this Prospectus are due to rounding.

Disclaimer

Except as required by law, and only to the extent so required, none of the Company, SaleCo, the Directors, the SaleCo Directors, the Company's management, the Lead Manager or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

As set out in Section 7, it is expected that the Shares will be quoted on ASX on a normal settlement basis. The Company, SaleCo, the Share Registry, the Lead Manager and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving a holding statement, even if such person received confirmation of allocation from the Offer Information Line or confirmed their firm allocation through a Broker or otherwise.

Ord Minnett Limited has acted as Lead Manager to the Offer and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by Ord Minnett Limited or by any of its respective affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and each of its respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Financial Information presentation

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of the preparation of the Financial Information is set out in Section 4.2.

All references to FY2019, FY2020, and FY2021 are to the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021, respectively, unless otherwise indicated.

The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) and the accounting policies of the Company. The significant accounting policies of the Company relevant to the Financial Information are set out in Appendix A.

The Financial Information including the Pro Forma Historical Information in this Prospectus should be read in connection with, and is qualified by reference to, the information contained in Sections 3 and 5.

All financial amounts contained in the Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Financial Services Guide

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Independent Limited Assurance Report and accompanying Financial Services Guide is provided in Section 8.

Questions

If you have any questions about how to apply for Shares, call your Broker or the Company's Offer Information Line on 1800 774 759 between 8.30 am and 5.30 pm (Melbourne, Australia time), Monday to Friday (excluding public holidays).

This Prospectus is important and should be read in its entirety.

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Key Offer information

Key dates

Item	Indicative timetable
Prospectus lodgement date	Wednesday, 27 October 2021
Opening date of the Retail Offer	Thursday, 4 November 2021
Closing date of the Retail Offer	Friday, 12 November 2021
Settlement of the Offer	Wednesday, 17 November 2021
Issue and transfer of Shares under the Offer	Thursday, 18 November 2021
Expected dispatch of holding statements	Friday, 19 November 2021
ASX trading commences on a normal settlement basis	Tuesday, 23 November 2021

Note: The above timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Melbourne, Australia time. The Company and SaleCo, in conjunction with the Lead Manager, reserve the right to vary any and all of the above dates and times without notice, including, subject to the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications, either generally or in particular cases. The Company reserves the right to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or Applicants. If the Offer is cancelled or withdrawn before the issue or transfer of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Application Forms as soon as possible after the Offer opens.

Key Offer statistics

Item	Offer
Offer Price ¹	\$1.50 per Share
Number of Shares available under the Offer comprising:	19.3 million
Number of New Shares to be issued by the Company under the Offer	9.3 million
Number of Existing Shares to be sold by SaleCo under the Offer	10.0 million
Number of Shares to be held by Existing Shareholders at Completion of the Offer	26.1 million
Total number of Shares on issue at Completion of the Offer	45.4 million
Total proceeds from the Offer comprising:	
Total proceeds from the issue of New Shares by the Company under the Offer	\$14.0 million
Total proceeds from the sale of Existing Shares by SaleCo under the Offer	\$15.0 million
Market capitalisation at the Offer Price²	\$68.1 million
Pro forma net cash (as at 30 June 2021) ³	\$13.0 million
Enterprise value at the Offer Price⁴	\$55.1 million
Enterprise value / FY2021 pro forma revenue ⁵	9.9x
Proposed ASX Code	RTH

Notes

- Shares may trade below the Offer Price upon Listing.
- Market capitalisation at the Offer Price is determined by multiplying the number of Shares at Completion of the Offer by the Offer Price.
- Represents \$13.0 million pro forma net cash as at 30 June 2021 and is calculated as cash and cash equivalents as at 30 June 2021 of \$1.9 million, less short-term and long-term borrowings (\$21k and \$142k respectively) and the net impact of proceeds from the Offer of the New Shares (\$14.0 million) less the cash costs of the Offer of \$2.9 million. See Sections 4 and 7 for further details.
- Enterprise value is calculated by subtracting pro forma net cash as at 30 June 2021 from market capitalisation.
- Enterprise value / FY2021 pro forma revenue is calculated by dividing the Enterprise value by the FY2021 pro forma revenue.

How to invest

Applications for Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form.

Chair's Letter

Dear Investor,

On behalf of the Board of Directors and management, it is my pleasure to invite you to become a Shareholder in RAS Technology Holdings Limited (**Company**).

The Company's principal operating subsidiary, Racing and Sports Pty Limited (**Racing and Sports**), was co-founded by Gary Crispe and Robert Vilkaitis in 1999 to take advantage of the emerging platform offered by the internet and its growing popularity. The launch of Racing and Sports saw the introduction of a premium and comprehensive website to the market, which offered quality products for direct users and addressed the gap in the market for a trusted supplier of wholesale racing data and enhanced content for media organisations and wagering operators.



Today, 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, which include Wholesale Data, Content and Distribution, Wagering Technology and Services, Specialist Data Services, Digital and Media, and Consulting and Integrity Services. In operating both a B2B and B2C technology-enabled business model, Racing and Sports currently services a longstanding, established and geographically diverse customer base of racing bodies and authorities, wagering operators, media and digital organisations and retail and private clients. As at 30 June 2021, Racing and Sports had 67 personnel across Australia, the UK and Sri Lanka, with intentions to expand its operations into the US in 2022.

The founder-led management team of Racing and Sports has extensive industry experience and networks built through their roles at Racing and Sports, and positions held on racing industry body committees and steering groups. The Board of Directors believes that Racing and Sports, with its highly capable management team, is well positioned to grow with the continued globalisation of the racing and wagering industries and by focusing on extending its geographic and product presence.

The purpose of the Offer is to raise capital for executing on the plans for growth as described within this Prospectus; as well as providing the Company with access to capital markets to improve financial flexibility for growth, a liquid market for the Shares, and allow Existing Shareholders an opportunity to realise part of their investment in the Company.

Under the Offer, the Company and SaleCo are offering 19.3 million Shares at \$1.50 per Share to raise a total of \$29.0 million. Gary Crispe, Robert Vilkaitis and Wayne Crispe will be selling down a portion of their holdings and will remain heavily invested in the Company, holding 26.6%, 26.5% and 4.3% at Completion respectively, and with the exception of Wayne, who is a minority shareholder and has never worked for Racing and Sports, will remain actively involved in Racing and Sports.

This Prospectus contains detailed information about the Offer, the industry in which Racing and Sports operates, and its financial and operating performance. The business operated by Racing and Sports is subject to a range of Company-specific and general risks, including macroeconomic and market condition risks, risks arising from the ongoing global COVID-19 pandemic, together with general risks associated with an investment in Shares as described in Section 5. These risk factors should be considered in detail before making any investment decision.

I encourage you to read this Prospectus carefully in its entirety before making your investment decision, and to consult with and seek professional guidance from your stockbroker, lawyer, financial adviser or other appropriate independent professional adviser in connection with the Offer.

On behalf of the Board of Directors and management, I look forward to welcoming you as a Shareholder of the Company.

Kate Carnell AO FAICD
Independent Non-Executive Chair
RAS Technology Holdings Limited

RACING AND SPORTS

1. Investment overview



1. Investment overview

1.1 Company overview

Set out below is a snapshot of the Company's business. Further details of the Company's operations and the industry in which it operates can be found in Sections 2 and 3.

Topic	Summary	For more Information
What is the Company?	<p>The Company is the holding company of Racing and Sports.</p> <p>Racing and Sports is a leading provider of fully integrated premium data, enhanced content, and SaaS solutions to the global racing and wagering industries. Today, Racing and Sports is headquartered in Canberra, Australia, and has additional operations in the UK and Sri Lanka.</p> <p>Racing and Sports currently services a longstanding, established and geographically diverse customer base of racing bodies and authorities, wagering operators, media and digital organisations and retail and private clients. As at 30 June 2021, Racing and Sports engaged 67 personnel across Australia, the UK, and Sri Lanka, with intentions to expand its operations into the US in 2022.</p>	Section 3.1
What is Racing and Sports' history?	<p>Racing and Sports was co-founded by Gary Crispe and Robert Vilkaitis in 1999 to take advantage of the popularity of the internet by launching a premium and extensive racing and sports content website, and to address market demand for a trusted supplier of racing data and enhanced content.</p> <p>In 2016, Racing and Sports set up support operations in Colombo, Sri Lanka to provide cost-effective access to highly skilled IT programmers, quality control and 24/7 operational support.</p> <p>In 2019, an office was established in York, England, UK, as a base to grow the business development, sales, and operations teams to service the growing UK and European markets.</p> <p>Today, a new satellite office is in the process of being established in Melbourne, Australia, to localise support, manage and grow Racing and Sports' digital and media offerings, and provide a second location to attract talent and accommodate the expanding team.</p>	Section 3.1(b)
What industries does Racing and Sports operate in?	<p>Racing and Sports operates across the racing and wagering industries globally, as follows:</p> <ul style="list-style-type: none"> • Racing industry: Racing and Sports provides data and technology services to wagering operators, racing authorities and media organisations; and • Wagering industry: demand for data and technology services is also being driven by developments in the wagering industry. 	Section 2
What products and services does Racing and Sports provide?	<p>Racing and Sports provides services across a number of product segments. These include:</p> <ul style="list-style-type: none"> • Wholesale Data, Content and Distribution: wagering operators integrate Racing and Sports' premium data and content to drive customer participation, retention and wagering turnover. • Wagering Technology and Services: wagering operators use Racing and Sports' hosted back-office managed trading solutions for efficiencies, cost savings, and reduction in trader headcount. Racing and Sports provides essential Race-Day Control services to wagering operators. 	Section 3.2

Topic	Summary	For more Information
<p>What products and services does Racing and Sports provide? (continued)</p>	<ul style="list-style-type: none"> • Specialist Data Services: premium products and data services available to retail and private customers. These are sold through direct subscription and fee-for-use via Racing and Sports' website. • Digital and Media: wagering operators and industry participants trust Racing and Sports to supply high-quality media, digital, publishing, and advertising services. The racingandsports.com website attracted over two million unique visitors in the last 12 months to September 2021. • Consulting and Integrity Services: provision of professional consulting services and data-driven integrity solutions using Racing and Sports' comprehensive database of racing and wagering information. 	Section 3.2
<p>How does Racing and Sports generate revenue?</p>	<p>Racing and Sports generates B2B and B2C revenue through both recurring and transactional streams.</p> <p>Recurring:</p> <ul style="list-style-type: none"> • Wholesale Data, Content and Distribution • Wagering Technology and Services • Specialist Data Services • Digital and Media • Consulting and Integrity Services <p>Transactional:</p> <ul style="list-style-type: none"> • Digital and Media • Specialist Data Services • Consulting and Integrity Services <p>Management will focus on building Racing and Sports' recurring revenue base including subscriptions and contracts that capture a percentage of gross gaming revenue (GGR).</p>	Section 3.2(c)
<p>What are Racing and Sports' key customer segments?</p>	<p>Racing and Sports has a number of internationally recognised customers across four key segments:</p> <ul style="list-style-type: none"> • Racing bodies and authorities: Racing and Sports manages the enhancement and distribution of fully integrated data and editorial content to these customers. • Wagering operators and rights holders: Racing and Sports delivers fully integrated premium data, enhanced content and wagering technology to wagering operators globally. It also provides enhancement and secure distribution of data and vision for rights holders. • Media and digital organisations: Racing and Sports independently produces racing media and editorial content, which is distributed to industry and mainstream media. • Retail and private clients: Racing and Sports provides fully integrated data and technology services to racing industry participants and private and retail clients. 	Section 3.3

Topic	Summary	For more Information
<p>What are Racing and Sports’ growth drivers?</p>	<p>There are a number of factors that are likely to stimulate demand for Racing and Sports’ services:</p> <ul style="list-style-type: none"> • Globalisation of the sports industry, which drives increased demand for data and content, together with factors such as increased focus on integrity and regulatory compliance. • Growing desire by rights holders to monetise their data. • Increased use of technology in sports, for example, in areas such as integrity and racing operations. • Growing demand from industry participants for data and content that enhances the interest and the experience of consumers of sport. • Growth in the global wagering market, especially through the online channel reflected in increased participation and wagering turnover. This is driven by a range of factors including product innovation and promotional activities by wagering operators, and legalisation and regulation of wagering activities in additional markets (such as in the US). • Fragmentation in the wagering sector, which is contributing to the emergence of a growing number of wagering operators, particularly given the lower entry barriers for online wagering operators. This drives a need for competitive differentiation among wagering operators, which can be achieved in areas such as technology and content. • Globalisation of wagering is facilitated by the online channel. That facilitation is reflected in both the ability of consumers to wager on events globally and the ability for wagering operators to provide wagering services on global events. This drives an increased need for access to global racing and sports data. • Increased use of technology in wagering services, including in areas such as process automation, is driving a growing need for wagering operators and other bodies to invest in technology platforms. 	<p>Section 2.2.2</p>
<p>What are Racing and Sports’ key growth strategies?</p>	<p>Racing and Sports plans to grow its business through six key growth strategies:</p> <ul style="list-style-type: none"> • 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. • Expanding wagering technology and services: target wagering operators in the US, UK and Europe for expansion of the 360° White Label Wagering Platform, Pricing Manager, Trading Manager, and Race-Day services. • B2C: leverage brand, media, and digital assets to expand retail products available from the website, which attracted over two million unique visitors in the last 12 months to September 2021. Development of interactive and data-rich mobile apps to attract global customers. • Acquisitions: identify and engage with companies in key territories with a focus on racing, sports, data and technology, to accelerate growth. 	<p>Section 3.4</p>

Topic	Summary	For more Information
What are Racing and Sports' key growth strategies? (continued)	<ul style="list-style-type: none"> • Strategic partnerships: Racing and Sports intends to explore strategic partnerships with entities that may assist in accelerating the global growth and expansion of the Company. <p>Ladbrokes Coral Group Limited (Entain), a subsidiary of Entain plc (LSE:ENT) one of the world's largest sports betting and gaming groups, has agreed to make an equity investment into the Company by subscribing for Shares under the Institutional Offer which will give Entain a Shareholding of 10.3% (on an undiluted basis) at Completion. Racing and Sports regards Entain's investment as an endorsement of Racing and Sports' product offering and strategy. As at the Prospectus Date, no strategic relationship has been agreed between Entain and Racing and Sports, and whether one develops in time will depend on determining ways to collaborate for the benefit of both companies.</p> <p>The growth continues into FY2022 with additional Enterprise Customer contracts of recurring revenue of \$1.4 million in annual value.</p>	Section 3.4

1.2 Background on the racing and wagering markets

Topic	Summary	For more Information
What is wagering?	<p>Wagering (also referred to as sports betting) involves the placement of a wager on the outcome of a sporting event. Wagering includes wagering on racing (thoroughbreds, greyhounds and harness) and on all other sports, and includes other events deemed to be approved contingencies by a relevant authority (such as elections).</p> <p>Wagers may be placed through offline or online channels (online sports betting). The online channel involves placing a wager through the internet using a computer, internet-enabled mobile phone or some other connected device. In the US, online sports betting is generally known as mobile sports betting.</p>	Section 2.1.2.1
What are data and technology services?	Data and technology services involve the provision of data, content and technology platforms to sports stakeholders, including rights holders, regulatory authorities, wagering operators and media organisations. The globalisation of wagering markets, rapid growth in online wagering and the growth in 'in-play' wagering are driving strong demand for the delivery of official sports data in real time.	Section 2.3
Who are Racing and Sports' key competitors?	Major industry participants in sports data and technology services include companies that focus on racing such as BetMakers Technology Group, Sports Information Services, Equibase and Vermantia, and companies focused on other sports, such as Genius Sports Group, Kambi, Sportradar, Stats Perform and IMG ARENA.	Section 2.3.4
What is the size of the global racing industry?	In 2018, based on data collected for 52 jurisdictions by the International Federation of Horseracing Authorities, the global thoroughbred racing industry comprised almost 150,000 races, total prize money of \$5.4 billion and wagering turnover of \$174.2 billion.	Section 2.4.1
What are the main racing markets globally?	The largest global markets for thoroughbred racing measured in terms of prize money and wagering turnover are Australia, France, Hong Kong, Japan, the UK and the US. Cumulatively, these six markets represent approximately \$4.3 billion in prize money and \$144 billion in wagering turnover.	Section 2.4.2
What is the size of the global wagering industry?	Global wagering revenue (fixed-odds only) was estimated at \$87.6 billion in 2020, and is forecast to increase to \$142.4 billion by 2025 at a Compound Annual Growth Rate (CAGR) of 10.2%.	Section 2.5.2

1.3 Key strengths

Topic	Summary	For more Information
<p>Experienced and high-profile management team</p>	<p>Racing and Sports’ management team has extensive industry experience, and highly developed profiles and industry-wide networks built through both their roles at Racing and Sports and positions held on racing industry body committees and steering groups.</p> <p>Led by co-founders, Gary Crispe and Robert Vilkaitis, and Chief Executive Officer, Stephen Crispe, the management team has strong and ongoing relationships with key industry participants, including racing bodies, wagering operators and media organisations in Australia and overseas in key target markets.</p>	<p>Section 3.5</p>
<p>Ability to scale its product and services to key territories</p>	<p>Domestically, Racing and Sports is positioned to continue targeting major wagering operators as well as provide existing customers with new and innovative products and services.</p> <p>Racing and Sports is well positioned to capitalise on growth opportunities in its key markets of Australia, the US, UK and Europe.</p> <p>Racing and Sports has an established presence in the UK and plans to grow this presence by expanding business development and sales teams, and targeting key UK-based prospective customers.</p> <p>As the US wagering industry grows due to deregulation in key states, Racing and Sports plans to establish relationships with participants across the racing and sports value chain, in a growing market where it sees significant opportunity.</p>	<p>Section 3.5</p>
<p>Positioned as an essential service leading to extended customer tenure and no Enterprise Customer churn</p>	<p>Racing and Sports manages and provides a comprehensive suite of ‘race-day life cycle’ products from pre-race information to live race-day information, including everything from show prices, price updates and race-day triggers, through to full post-race results.</p> <p>Both wagering operators and racing bodies rely on the fully integrated data and services that Racing and Sports provides to power its own services. This makes Racing and Sports an integral service that has led to extended customer tenure. The majority of customers are on multi-year contracts with no Enterprise Customer churn experienced.</p>	<p>Section 3.5</p>
<p>Strong domestic presence and reputation</p>	<p>Racing and Sports has been a longstanding provider of racing services to some of the largest racing bodies, wagering operators and media organisations in Australia. Racing and Sports intends to leverage these relationships as the business grows, domestically by increasing service offerings, and internationally by developing key relationships across the racing and sports value chain.</p>	<p>Section 3.5</p>
<p>Comprehensive global coverage</p>	<p>Racing and Sports has comprehensive global coverage for thoroughbred, harness and greyhound racing. Racing and Sports can also provide fully integrated data on developed and emerging markets such as Saudi Arabia, Bahrain and Mexico, to provide wagering operators in Australia, Asia, the US, UK and Europe with a wider range of wagering markets.</p>	<p>Section 3.5</p>
<p>Key partner arrangements</p>	<p>Racing and Sports has established a commercial relationship with the Press Association in the UK and also with a significant racing rights holder in the US. Racing and Sports believes the arrangements with these key partners provide additional opportunities for growth and scale across the US, UK and Europe. In Asia, Racing and Sports has longstanding partnership agreements with the Hong Kong Jockey Club and the Singapore Pools (formerly with the Singapore Turf Club).</p>	<p>Section 3.5</p>

1.4 Key financial information

Topic	Summary	For more Information
Key operating and financial metrics	The Company's pro forma historical financial performance is summarised in the table below:	Section 4.3
	Pro Forma Historical	
	\$ 000	
	Year ended 30 June	FY2019 FY2020 FY2021
	Total revenue	4,166 3,989 5,570
	Gross profit	4,137 3,924 5,474
	Gross profit margin	99.3% 98.4% 98.3%
	EBITDA	(732) (629) 1,434
EBITDA margin	(17.6%) (15.8%) 25.7%	
Operating expenses (% revenue)	124.1% 128.5% 84.1%	
Dividend policy	The current policy of the Company is to reinvest all cash flows into the business to maximise its long-term growth. Accordingly, the Company does not have any present plans to pay any dividends.	Section 4.8

1.5 Key risks

Before applying for Shares, you should consider the key risks associated with an investment in the Company. The occurrence of any of these risks may have a material adverse effect on the Company's reputation, business, operational performance and financial results.

Topic	Summary	For more Information
Key personnel risk	<p>The expertise and performance of key personnel and high-performing employees are critical to the success of the Group, particularly in the areas of business development, race analysis and the development technology platforms and applications. The Group relies heavily on the specialist skills of its key personnel, which include a deep understanding of horse form and race analysis and intimate knowledge of the horseracing industry, both within Australia and globally. Key staff members have developed longstanding relationships with important participants in the racing industry domestically and globally, which are also critical to the Group's business development success, while key management personnel are responsible for overseeing the day-to-day operations and management of the Group.</p> <p>There is a risk of over-reliance on one or more key staff members, including Racing and Sports' founders and its CEO. The loss of one or more key staff members would represent a significant loss of corporate knowledge, potential loss of critical relationships within the industry and loss of essential specialist skills. Any such loss could delay or prevent the Group from achieving significant strategic milestones and could disrupt business operations.</p>	Section 5.2(a)

Topic	Summary	For more Information
COVID-19 pandemic	While the COVID-19 pandemic has not, as at the Prospectus Date, materially affected the Group's business, there is no guarantee that this will continue to be the case. There is continued uncertainty about the ongoing impact of the COVID-19 pandemic, including in relation to the opening of international borders, duration and severity of government restrictions, and the depth of negative and positive effects of the pandemic on the domestic and global economy as well as in the horseracing and sports industries.	Section 5.2(b)
Computer systems and hardware risks	Out of necessity, the Group places, and will continue to place, significant reliance on its computer systems and related infrastructure for its operations, both domestically and globally. The Group relies heavily on computer systems, internet providers and networks to communicate with and manage its existing overseas teams. While the Group takes steps to ensure that it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its operations can be affected by the performance of third parties, the quality and availability of necessary equipment, market constraints, cost overruns and unforeseen events.	Section 5.2(c)(i)
Disruption risks	As the operator of a proprietary website, various aspects of the Group's operations depend on the performance, reliability and availability of its technology, website, communication systems, servers and internet service providers in order to deliver its services. Many potential operational issues are outside the Group's control. There is a risk that these technologies and systems may be adversely affected by a number of factors, including service outages, inability to handle unanticipated levels of demand during peak times or events, computer viruses, misuse by employees or contractors, or external or malicious interventions, such as hacking. Any disruption or failure of the Group's technology or systems may adversely affect the Group's operations, achievement of objectives and ultimately, its financial position.	Section 5.2(c)(ii)
Data protection and cyber-security risks	The Group operates much of its business and stores a significant amount of proprietary information on information technology systems, (including third-party systems). Cyber attacks or malicious hacking activity that penetrates the Group's information technology environment or any third-party system on which the Group relies could lead to operational disruption or data theft including commercially sensitive information, which could have a material adverse effect on the Group's operations, reputation and achievement of objectives.	Section 5.2(c)(iii)
Privacy breaches	As a consequence of the nature of the Group's business, the Group collects, stores, uses and discloses the personal information of numerous individuals. Accordingly, the Group is required to comply with the provisions of the <i>Privacy Act 1988</i> (Cth) (Privacy Act) and the Australian Privacy Principles (APPs) in relation to personal information. Cyber-security incidents may compromise or breach technology and service platforms used by the Group as part of its ongoing business. While the Group has in place data protection systems, it is possible that these may not be sufficient to detect or prevent unauthorised access to, or disclosure of, personal or confidential information about the Group, its customers, employees or third parties. Any compromise or breach involving personal or confidential information, whether accidental or intentional, may result in loss of data integrity as well as subject the Group to reputational damage, claims from those affected, legal action, loss of customers, increased regulatory scrutiny or regulatory action.	Section 5.2(d)

Topic	Summary	For more Information
Development and innovation risks	<p>The Group's business is primarily based on software, source code, technology and computer systems, which comprise its database, analytical algorithms and technology products and services. There is a risk that this technology may be superseded or displaced in the market by new technology offerings that B2B and B2C customers perceive as having advantages over the Group's offerings.</p> <p>Additionally, the Group's future success depends on its ability to enhance existing technology products and develop new products that perform well and are attractive to the market. Failure to innovate or anticipate market demands may result in the Group ceasing to maintain a competitive position in a rapidly changing market.</p>	Section 5.2(e)(i)
Sales and timing risk	<p>Horseracing and sporting products and services often have long lead times for conceptualisation, development, testing and integration. These long lead times may mean that a project is in development for many months before it is delivered and generating revenue for the Group. There is a risk that the Group could spend significant time and resources on projects that take long periods to return any investment, or that projects are ended before they reach a return on investment due to external factors. Both of these outcomes have the potential to negatively affect financial performance of the Group and value of an investment in the Company.</p>	Section 5.2(e)(ii)
Product risks	<p>Despite extensive testing, there is a risk that the products developed by the Group, either for B2B or B2C customers, will contain defects in either design, operation or functionality that could result in the product either failing to perform as required or promised, or the product causing harm or loss to the customer in some way. Should this occur, the risks to the Group would include a loss of market share, loss of confidence in the Group's products, or give rise to a product liability claim in certain circumstances.</p>	Section 5.2(f)
Disruption to supply and transmission of horseracing and sporting events	<p>Major horseracing and sporting events occur at fixed times during the year. Cancellation, postponement or restriction of such significant events for reasons including the COVID-19 pandemic, extreme weather events, acts of terrorism and other force majeure reasons, could cause disruption to the Group's operations, its ability to deliver its products and services to clients, and consequently, its financial position and performance.</p>	Section 5.2(g)
Regulatory risk	<p>The Group provides products and services to clients operating in the wagering industry, which is highly regulated both domestically and globally, including through the granting of licences, permits and other approvals to participants by relevant governments and authorities. While as a supplier of products and services the Group is not subject to the same regulatory requirements as its customers, there is a risk that a change in applicable regulations may result in the Group's customers incurring additional compliance costs or the withdrawal of certain services or from certain markets. This may result in the Group's customers reducing the scope of, or ceasing to require, the Group's products and services, which may operate to adversely affect the Group's financial position and performance.</p>	Section 5.2(h)
Expansion risks	<p>As the Group continues to expand overseas and operate in different markets, it must ensure that it is operating lawfully and in accordance with the relevant regulations. Failure to do so may result in fines, other sanctions or even the temporary or permanent cessation of operations in that jurisdiction.</p> <p>The Group is planning to continue its expansion in the UK, Europe and the US via direct engagement and strategic partnerships with participants in those jurisdictions. There is a risk that the anticipated direct engagements and partnerships in these jurisdictions will not eventuate, or may be taken up by competitors in the market.</p>	Section 5.2(i)(i)

Topic	Summary	For more Information
Foreign exchange risk	<p>As the Group expands operations into new countries, revenue and expenses will be incurred in multiple currencies. The Group may be required to fund the overseas operations from Australia until these operations are self-sufficient. Funding arrangements may see the transfer of large amounts of money between jurisdictions on a routine basis. This routine transfer of funds between countries with different currencies carries with it a foreign exchange risk that can impact the profitability (or viability) of the Group's foreign market operations.</p>	Section 5.2(i)(ii)
Support functions	<p>The Group operates an office in Sri Lanka, which supplies development, technology and website support to the Group's Australian headquarters. This office may be vulnerable to disruptions due to local regulatory matters, as a result of the COVID-19 pandemic, or for other reasons.</p> <p>If the Sri Lankan office were to experience disruption to its regular operations for any reason and staff were unable to attend work, the potential loss of productivity in relation to application and technology development and website content could materially affect the Group's IT operations in the short term, including product development. However, this risk is mitigated by the Group being able to relocate these positions on short notice if required.</p>	Section 5.2(i)(iii)
Concentration of customers and suppliers	<p>A significant proportion of the Group's customers operate in the racing industry globally. As a result, the Group may be vulnerable to any event that affects the racing industry and demand for racing data, products and services. Such events could include an outbreak of equine influenza or the COVID-19 pandemic, with either leading to the closure of racecourses in a given country, or globally.</p> <p>The Group's key suppliers are limited to a small group of source data suppliers, both in Australia and overseas. Should one or more suppliers become either unable or unwilling to supply data to the Group, this could cause a shortfall in data requirements that may affect the Group's ability to produce form and racing products, provide sufficient content on the website and meet its obligations under contracts with customers, which in turn could adversely affect the business operations and financial results of the Group.</p>	Section 5.2(j)
Customer risk	<p>It is critical for the Group to grow its B2B and B2C customer bases to meet expansion targets and strategic goals.</p> <p>If the Group is unable to retain existing customers or attract new customers, it may adversely impact the Group's ability to achieve its market share expectations, which may adversely affect its ability to improve its future financial performance.</p>	Section 5.2(k)
Competition risk	<p>The horseracing and sporting industries are highly competitive and although the Group currently has limited competitors in the Australian data supply market, there is no guarantee that this will continue to be the case. Competitors from Australia and overseas may seek to enter the global market, providing direct competition to the Group and potentially affecting the Group's client base and market share.</p>	Section 5.2(l)

Topic	Summary	For more Information
Protection of intellectual property	<p>The ability of the Group to maintain, establish and protect its intellectual property rights and maintain trade secret protection is fundamental to maintaining the Group's competitive advantage and market share.</p> <p>No assurances can be given that employees or other third parties will not breach confidentiality agreements, infringe or misappropriate the Group's intellectual property or commercially sensitive information, or that competitors will not be able to produce similar, but non-infringing, products or services.</p> <p>In particular, as a supplier of media and data products to B2B and B2C customers, there is a risk that customers may on-sell or otherwise provide the Group's products and services to other parties without the Group's consent. While the Group takes reasonable steps to protect its proprietary technology, unauthorised sales and use of proprietary Group products and services represent an infringement of the Group's copyright and may result in a loss of potential revenue for the Group, along with a loss of control as to where and how the Group's products are displayed and used.</p>	Section 5.2(m)(i)
Use of third-party intellectual property	<p>The Group is reliant on intellectual property supplied by other parties under licensing agreements. Should the other party seek to either change or revoke the right of the Group to use the intellectual property as agreed, or challenges the Group's ability to use the intellectual property in the way that it has been, then the Group could be in a position where it is unable to provide key products and services either under customer agreements or on its website. Should this occur, the Group may experience an adverse effect on its market share and financial position.</p>	Section 5.2(m)(ii)
Infringement of third-party intellectual property rights	<p>It is possible that third parties may assert intellectual property infringement, copyright infringement, or other such claims against the Group under copyright, trade secret, patent or other laws. While the Group is not aware of any claims or potential claims in relation to any intellectual property rights that it has, or will acquire an interest in, if any such claims were to arise, they may negatively impact the Group's interests. Defending such claims, even where the claim is without merit, is a significant impost on the financial, managerial and technical resources of the Group and may result in an inability for the Group to pursue strategic objectives and could negatively affect the Group's financial position.</p>	Section 5.2(m)(iii)
Counterparty risk	<p>As part of its ongoing commercial activities, the Group enters into commercial contracts with various third parties. There is a risk that counterparties (including customers and suppliers) with whom the Group has entered into contracts may fail to meet their contractual obligations or otherwise underperform, resulting in a financial loss to the Group and impacting on its business relationships and operations, particularly in relation to supply of agreed products and services.</p>	Section 5.2(n)
Litigation, claims and disputes	<p>Although the Group is not aware of any potential litigation or any facts that would give rise to any claims against it, given the scope of the Group's activities, the terms of its commercial contracts, which in some cases contain broad indemnities, and the wide range of parties with which it deals, there is a risk that the Group may be subject to litigation and other claims and disputes, including disputes involving customers, employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings.</p>	Section 5.2(o)

Topic	Summary	For more Information
Funding risk	The Directors and management believe that, on receipt of funds from the Offer, the Group will have sufficient working capital to carry out its objectives. However, the Company may need to raise additional funds from time to time to execute its expansion strategies and commercialisation activities. There is no guarantee that the Company will be able to raise any additional funding required on a timely basis, on favourable terms or that such funding will be sufficient to enable the Company to implement its strategies.	Section 5.2(p)
Security interest risk	<p>As noted in Section 9.7, ANZ has registered its security interests over all the present and after-acquired property of Racing and Sports and the Company on the Personal Property Securities Register (PPS Register) to secure their respective obligations under the Facility and associated corporate guarantee.</p> <p>Accordingly, failure by Racing and Sports or the Company to comply with their respective obligations, including a failure by Racing and Sports to repay all amounts outstanding upon the maturity of the Facility, will result in Racing and Sports or the Company being in default, and failure to remedy such default may result in ANZ seeking to enforce its rights in such circumstances including enforcement of its registered security interests against Racing and Sports or the Company.</p>	Section 5.2(q)
Changes to R&D incentive arrangements	The Group currently benefits from government research and development tax credits. These tax credits offset the development costs associated with products and services developed for, and exported to, overseas clients. Although no adverse changes to these laws have been foreshadowed by the government, or are expected by the Group, any changes to these taxation laws could have a significant and detrimental effect on the financial position of the Group and may affect the development of products for export in the future.	Section 5.2(r)
Insurance risks	The Group seeks to obtain appropriate insurance policies consistent with those carried by organisations within its industry sector. These policies can be costly and difficult to obtain. Any increases in the costs of insurance policies carried by the Group, or difficulty obtaining adequate cover, could adversely affect the Group's business, financial condition or operational results. Uninsured loss or a loss in excess of the Group's insured limits could negatively affect the Group's financial position and also its ability to achieve its business objectives.	Section 5.2(s)
Concentration of Shareholding	On Completion, the Existing Shareholders and Entain will collectively have voting power in respect of 67.7% of the Shares. Consequently, the Existing Shareholders and Entain will have the ability to exert significant influence over resolutions put to Shareholders (other than those in which they are excluded from voting), including in relation to the election of Directors, significant corporate transactions and certain issues of equity securities.	Section 5.2(t)
Other risks	A number of other risks related to an investment in the Shares of the Company are included in Section 5.	Section 5.3

1.6 Board and management

Topic	Summary	For more Information
Who are the Directors of the Company?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Kate Carnell AO – Independent Non-Executive Director and Chair • Gary Crispe – Executive Director and Chief Commercial Officer • Greg Nichols – Independent Non-Executive Director • Sophie Karzis – Independent Non-Executive Director • James Palmer – Independent Non-Executive Director. 	Section 6.1
Who are the members of the Company's senior management team?	<p>The senior management of the Company are:</p> <ul style="list-style-type: none"> • Stephen Crispe – Chief Executive Officer • Gary Crispe – Executive Director and Chief Commercial Officer • Andrew Burns – Chief Financial Officer • Robert Vilkaitis – Chief Technology Officer • Brent Dolan – Commercial Director, UK 	Section 6.2
What corporate governance policies does the Company have in place?	<p>The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Recommendations:</p> <ul style="list-style-type: none"> • Securities Trading Policy; • Continuous Disclosure Policy; • Code of Conduct; • Statement of Values; • Diversity Policy; • Occupational Health & Safety Policy; • Anti-bribery and Corruption Policy; and • Whistleblower Policy. 	Section 6.5(f)

1.7 Significant interests of key people and related-party transactions

Topic	Summary	For more Information																																																	
Who are the Company's key Shareholders and what will their interests be on Completion of the Offer?	<p>The ownership of Shares as at the Prospectus Date, and following Completion of the Offer is summarised below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Holder</th> <th style="text-align: right;">Shares held at the Prospectus Date</th> <th style="text-align: right;">Shares held at the Prospectus Date (%)</th> <th style="text-align: right;">Shares to be sold by the Selling Shareholders pursuant to the Offer</th> <th style="text-align: right;">Shares acquired under the Offer¹</th> <th style="text-align: right;">Shares held at Completion of the Offer</th> <th style="text-align: right;">Shares held at Completion of the Offer (%)</th> </tr> </thead> <tbody> <tr> <td>Gary Crispe</td> <td style="text-align: right;">16,695,124</td> <td style="text-align: right;">46.3%</td> <td style="text-align: right;">4,630,000</td> <td style="text-align: right;">-</td> <td style="text-align: right;">12,065,124</td> <td style="text-align: right;">26.6%</td> </tr> <tr> <td>Robert Vilkaitis</td> <td style="text-align: right;">16,659,066</td> <td style="text-align: right;">46.2%</td> <td style="text-align: right;">4,620,000</td> <td style="text-align: right;">-</td> <td style="text-align: right;">12,039,066</td> <td style="text-align: right;">26.5%</td> </tr> <tr> <td>Wayne Crispe</td> <td style="text-align: right;">2,704,394</td> <td style="text-align: right;">7.5%</td> <td style="text-align: right;">750,000</td> <td style="text-align: right;">-</td> <td style="text-align: right;">1,954,394</td> <td style="text-align: right;">4.3%</td> </tr> <tr> <td>Entain</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">4,666,667</td> <td style="text-align: right;">4,666,667</td> <td style="text-align: right;">10.3%</td> </tr> <tr> <td>New Shareholders under the Offer (excl. Entain)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">14,666,667</td> <td style="text-align: right;">14,666,667</td> <td style="text-align: right;">32.3%</td> </tr> <tr> <td>Total²</td> <td style="text-align: right;">36,058,584</td> <td style="text-align: right;">100.0%</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">19,333,334</td> <td style="text-align: right;">45,391,918</td> <td style="text-align: right;">100.0%</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> Assumes Existing Shareholders do not participate in the Offer. Refer to Section 6.3 for further information on interests and benefits (including Directors' interests in Shares). 	Holder	Shares held at the Prospectus Date	Shares held at the Prospectus Date (%)	Shares to be sold by the Selling Shareholders pursuant to the Offer	Shares acquired under the Offer ¹	Shares held at Completion of the Offer	Shares held at Completion of the Offer (%)	Gary Crispe	16,695,124	46.3%	4,630,000	-	12,065,124	26.6%	Robert Vilkaitis	16,659,066	46.2%	4,620,000	-	12,039,066	26.5%	Wayne Crispe	2,704,394	7.5%	750,000	-	1,954,394	4.3%	Entain	-	-	-	4,666,667	4,666,667	10.3%	New Shareholders under the Offer (excl. Entain)	-	-	-	14,666,667	14,666,667	32.3%	Total²	36,058,584	100.0%	10,000,000	19,333,334	45,391,918	100.0%	Section 7.1(i)(i)
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Topic	Summary	For more Information												
<p>What escrow restrictions apply to the key Shareholders' Shares?</p>	<p>Certain Existing Shareholders and Entain have entered into voluntary escrow arrangements with the Company in relation to their Shares held at Completion of the Offer.</p> <p>In aggregate, 28,770,857 Shares on issue immediately following Completion of the Offer will be subject to voluntary escrow arrangements, representing approximately 63.4% of the total Shares on issue immediately following Completion of the Offer.</p> <p>The table below sets out the extent of the escrow arrangements:</p> <table border="1" data-bbox="416 555 1238 824"> <thead> <tr> <th data-bbox="416 555 815 618">Shareholder</th> <th data-bbox="815 555 927 618">Number of Shares to be escrowed</th> <th data-bbox="927 555 1238 618">Period of escrow</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 618 815 680">Gary Crispe</td> <td data-bbox="815 618 927 680">12,065,124</td> <td data-bbox="927 618 1238 680">The period commencing on the date that the Company is admitted to the Official List and ending 12 months afterwards</td> </tr> <tr> <td data-bbox="416 680 815 743">Robert Vilkaitis</td> <td data-bbox="815 680 927 743">12,039,066</td> <td data-bbox="927 680 1238 743"></td> </tr> <tr> <td data-bbox="416 743 815 824">Entain</td> <td data-bbox="815 743 927 824">4,666,667</td> <td data-bbox="927 743 1238 824">The period commencing on the date that the Company is admitted to the Official List and ending 6 months afterwards</td> </tr> </tbody> </table> <p>Further details in relation to the voluntary escrow arrangements are set out in Section 9.8.</p>	Shareholder	Number of Shares to be escrowed	Period of escrow	Gary Crispe	12,065,124	The period commencing on the date that the Company is admitted to the Official List and ending 12 months afterwards	Robert Vilkaitis	12,039,066		Entain	4,666,667	The period commencing on the date that the Company is admitted to the Official List and ending 6 months afterwards	Section 9.8
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Robert Vilkaitis	12,039,066													
Entain	4,666,667	The period commencing on the date that the Company is admitted to the Official List and ending 6 months afterwards												
<p>What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?</p>	<ul style="list-style-type: none"> • On Completion, the Directors and other Existing Shareholders will hold Shares as set out in the table above. • \$15.0 million of funds received under the Offer will be paid to the Selling Shareholders as consideration for the Shares transferred to Successful Applicants by SaleCo. • All Directors and key management personnel are entitled to remuneration, fees and payments as set out in Sections 6.3(a)(ii) and 6.3(c). • Advisers and other service providers are entitled to fees for services, which in relation to the Lead Manager, include the Lead Manager Options described in Section 9.5(a). <p>Further details of the significant interests of key people, adviser and service provider fee entitlements and related-party transactions are set out in Sections 6 and 9.6.</p>	Sections 6 and 9.6												
<p>Are there any other related-party transactions in place?</p>	<p>Stephen Crispe, the son of Gary Crispe, is employed by the Company as its Chief Executive Officer. A summary of the key terms of Stephen's employment contract, including his entitlement to STI and LTI awards, is set out in Section 6.3(c)(i).</p> <p>Angela Gunton, the daughter of Gary Crispe, is employed by the Company as its Head of Corporate Services and Joint Company Secretary. A summary of the key terms of Angela's employment contract, including her entitlement to STI and LTI awards, is set out in Section 9.6.</p> <p>The Group is party to a lease agreement with an entity controlled by Gary Crispe and Robert Vilkaitis under which the Group leases office premises. The parties have agreed to surrender the lease with effect from 5 March 2022. A summary of the key terms of the lease is set out in Section 9.6.</p> <p>Racing and Sports is a party to two separate commercial agreements with GRSBet Pty Ltd (GRSBet), an entity controlled by Stephen Crispe. The material terms of each commercial agreement are summarised in Section 9.6.</p> <p>The Company will bear the costs of the Offer. There will be no apportionment of the costs of the Offer with the Existing Shareholders, including in relation to the sale of Shares via SaleCo.</p>	Sections 6.3(c)(i), 9.4 and 9.6												

1.8 Use of funds

Topic	Summary	For more Information																
Proposed use of funds	<p>Source of Funds</p> <table border="1"> <thead> <tr> <th></th> <th>\$ million</th> </tr> </thead> <tbody> <tr> <td>Offer proceeds from the issue of New Shares by the Company</td> <td>14.0</td> </tr> <tr> <td>Offer proceeds received by SaleCo from the sale of Existing Shares by the Selling Shareholders</td> <td>15.0</td> </tr> <tr> <td>Total</td> <td>29.0</td> </tr> </tbody> </table>		\$ million	Offer proceeds from the issue of New Shares by the Company	14.0	Offer proceeds received by SaleCo from the sale of Existing Shares by the Selling Shareholders	15.0	Total	29.0	Section 7.1(c)								
		\$ million																
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	<p>Use of Proceeds</p> <table border="1"> <thead> <tr> <th></th> <th>\$ million</th> </tr> </thead> <tbody> <tr> <td>Product development</td> <td>3.0</td> </tr> <tr> <td>Expansion of business, including management, sales and marketing and software development teams</td> <td>1.4</td> </tr> <tr> <td>International expansion (UK and US)</td> <td>5.2</td> </tr> <tr> <td>Working capital</td> <td>1.6</td> </tr> <tr> <td>Costs of the Offer¹</td> <td>2.9</td> </tr> <tr> <td>Payments to the Selling Shareholders</td> <td>15.0</td> </tr> <tr> <td>Total</td> <td>29.0</td> </tr> </tbody> </table>		\$ million	Product development	3.0	Expansion of business, including management, sales and marketing and software development teams	1.4	International expansion (UK and US)	5.2		Working capital	1.6	Costs of the Offer ¹	2.9	Payments to the Selling Shareholders	15.0	Total	29.0
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Notes:																		
1. The total expenses of the Offer have been estimated at \$3.0 million and include non-cash expenses of \$0.1 million. The costs of the Offer under Use of Proceeds removes this non-cash element reducing it to \$2.9 million.																		

1.9 Offer overview

Topic	Summary	For more Information
What is the Offer?	<p>The Offer is an initial public offering of approximately 19.3 million Shares, comprising 9.3 million New Shares to be issued by the Company and approximately 10.0 million Existing Shares to be transferred by Selling Shareholders via SaleCo.</p> <p>The Offer is expected to raise approximately \$29.0 million (being \$14.0 million in proceeds from the issue of the New Shares and \$15.0 million in proceeds to be paid to the Selling Shareholders).</p> <p>The expenses of the Offer are currently estimated to be \$3.0 million. The amount will be paid by the Company.</p>	Section 7.1
Who are the issuers of this Prospectus?	RAS Technology Holdings Limited ACN 650 066 158 and RAS Technology Holdings SaleCo Limited ACN 654 574 786 both being public companies registered in the Australian Capital Territory, Australia.	Section 7.1
Why is the Offer being conducted?	<p>The purpose of the Offer is to provide:</p> <ul style="list-style-type: none"> Existing Shareholders with an opportunity to realise part of their investment in the Company; the Company with access to capital markets to improve financial flexibility for growth; and a liquid market for the Shares. 	Section 7.1(b)

Topic	Summary	For more Information
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • The Retail Offer, consisting of: <ul style="list-style-type: none"> • the Broker Firm Offer, which is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate; • the Priority Offer, which is open to selected investors in Australia and certain other jurisdictions who have received a Priority Offer Invitation; and • the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors in Australia and a number of other eligible jurisdictions. <p>No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker.</p>	Section 7.1(a)
What is SaleCo and what role does it play in the Offer?	<p>SaleCo is a special purpose vehicle that was established to enable the Selling Shareholders to sell some of their Shares under the Offer.</p> <p>The Shares that SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants at the Offer Price.</p>	Section 9.4
Is the Offer conditional?	<p>Completion of the Offer is conditional on:</p> <ul style="list-style-type: none"> • ASX's approval of the Company's application for admission to the Official List and ASX agreeing to quote the Shares on the ASX; and • Settlement in respect of the allotment of Shares in accordance with the Underwriting Agreement. 	Section 7.2
Will the Shares be listed on ASX?	<p>The Company will, within seven (7) days of the Prospectus Date, apply to ASX for admission to the Official List and for quotation of the Shares on ASX under the code RTH (which may be changed prior to listing).</p> <p>Completion of the Offer is conditional on ASX approving the Company's application for admission to the Official List. If approval is not given within three (3) months after the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Section 7.2
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Underwriter.	Section 7.6
Who is the Lead Manager and Underwriter of the Offer?	Ord Minnett Limited has acted as Lead Manager and Underwriter to the Offer on the terms of the Underwriting Agreement.	Section 7.6

Topic	Summary	For more Information
<p>What is the minimum and maximum Application size under the Offer?</p>	<p>Institutional Offer</p> <p>There is no minimum or maximum value of Shares that may be applied for under the Institutional Offer.</p> <p>Broker Firm Offer</p> <p>The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Company, in conjunction with the Lead Manager, reserves the right to treat any Applications in the Broker Firm Offer that are from persons whom the Company believes may be Institutional Investors as Applications in the Institutional Offer, or to reject the Applications. The Company, in conjunction with the Lead Manager, also reserves the right to aggregate any Applications that the Company believes may be Applications from the same person.</p> <p>Priority Offer</p> <p>There is no minimum or maximum value of Shares that may be applied for under the Priority Offer.</p>	<p>Section 7.2</p>
<p>What is the allocation policy?</p>	<p>The allocation of Shares between the Retail Offer and the Institutional Offer was determined by the Company, SaleCo and the Lead Manager. The allocation of Shares among Applicants in the Institutional Offer was determined by the Company, SaleCo and the Lead Manager.</p> <p>For Broker Firm Applicants, the relevant Broker will decide as to how they allocate Shares among their retail clients.</p> <p>Allocations under the Priority Offer will be at the absolute discretion of the Company.</p>	<p>Section 7.2</p>
<p>Is there any brokerage, commission or stamp duty payable by Applicants?</p>	<p>No brokerage, commission or stamp duty is payable by Successful Applicants on subscription or acquisition of Shares under the Offer.</p>	<p>Section 7.2</p>
<p>What are the tax implications of investing Shares?</p>	<p>The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances.</p> <p>Applicants should obtain their own tax advice prior to deciding whether to invest.</p> <p>An overview of the tax treatment for Australian resident investors is included in Section 9.12.</p>	<p>Section 9.12</p>
<p>How can I apply?</p>	<p>Eligible investors may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus.</p> <p>To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.</p>	<p>Sections 7.3, 7.4 and 7.5</p>
<p>Can the Offer be withdrawn?</p>	<p>The Offer is subject to conditions and the Company and SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to Applicants.</p> <p>If the Offer does not proceed, Application Monies will be refunded.</p> <p>No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>	<p>Sections 7.2 and 7.9</p>

Topic	Summary	For more Information
When will I know if my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around Friday, 19 November 2021.	Section 7.2
What if I have questions about the Offer?	<p>For further information, call the Offer Information Line on 1800 774 759 (within Australia) or +61 1800 774 759 (outside Australia) from 8.30 am to 5.30 pm (Melbourne time), Monday to Friday (excluding public holidays), during the Offer Period.</p> <p>If you are still unclear about any matter contained in this Prospectus or uncertain as to whether the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</p>	Section 7.2

Important notice

This section is not intended to provide full details of the investment opportunity. Investors must read this Prospectus in full to make an informed investment decision. The Shares offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares. In addition, past financial performance is not a guide to future financial performance.

RACING AND SPORTS

2. Industry overview



2. Industry Overview

Market Report The Racing and Wagering Markets October 2021

FROST & SULLIVAN

The Company has commissioned this report by Frost & Sullivan to support its IPO process. The report covers the global racing and wagering markets.

Executive Summary

Racing and Sports provides data and technology services to the global racing industry, including to wagering operators, racing authorities and media organisations. Racing and Sports also plans to leverage its data and technology services capability to expand into other sports. The market for sports data and technology services is growing strongly, driven by a growing requirement for the real-time collection, customisation and distribution of official data through the internationalisation of sports and sports wagering, overall growth in online wagering, and specifically the growth in 'in-play' wagering, which drives demand for real-time data.

Racing and Sports currently focuses on the racing sector. Racing is a global industry, comprising primarily thoroughbred racing, which occurs in over 50 countries worldwide, with approximately 150,000 races annually, 1.3 million runners, total prize money of almost \$5.4 billion and wagering turnover of over \$170 billion.¹ Additionally, harness and greyhound racing, while significantly smaller than thoroughbred racing, adds to the size of the broader racing industry. The scale and global scope of the industry drives the generation of vast amounts of data and content.

The jurisdictions with the most significant thoroughbred racing industries are Australia, France, Hong Kong, Japan, the UK and the US, which cumulatively account for \$4.3 billion in prize money and \$144 billion in wagering turnover.² The increasingly globalised nature of the thoroughbred racing industry is also driving the requirement for access to global racing data and content in these and other jurisdictions. Other factors driving demand for data and content include the desire for racing authorities, media organisations and wagering operators to increase consumer interest and engagement in racing, and a growing focus on integrity in the industry.

Demand for data and technology services is also being driven by developments in the wagering industry. The global wagering market is growing significantly, principally propelled by the development of the online channel and the legalisation of wagering in jurisdictions where it was previously illegal or restricted. This manifests in growth in wagering turnover, but also in the number of active wagering operators. With wagering becoming an increasingly globalised and competitive market, wagering operators are seeking sources of competitive differentiation, such as through the provision of unique content, and through the deployment of technology solutions to automate business processes, enhance efficiency and improve the customer experience. These factors are likely to drive demand for Racing and Sports' services and technology.

2.1. Background, Market Definitions and Methodology

2.1.1 Background

Racing and Sports is a B2B and B2C technology and data company that provides solutions to wagering operators, racing authorities and racing media organisations. Racing and Sports' focus is currently on racing, with the largest coverage of thoroughbred, harness and greyhound racing in the industry, processing data and content from more than 1,800 racing centres across 30 countries. However, Racing and Sports also intends to broaden its solutions into other sports.

¹ International Federation of Horseracing Authorities, Annual Report 2018

² Frost & Sullivan, based on industry sources

2.1.2 Market Definitions

2.1.2.1 Wagering

Wagering (also referred to as sports betting, with the two terms used synonymously in this report), is one of two forms of gambling, and involves the placement of a wager on the outcome of a sporting event. For the purposes of this report, wagering includes wagering on 1) racing (thoroughbreds, greyhounds and harness) and 2) on all other sports, and includes other events deemed to be approved contingencies by a relevant authority (such as elections).

Wagering types include the following:

- **Pari-mutuel**, defined as ‘player-banked betting with all the bets pooled and prizes awarded from the pool’³, is a wagering model in which all wagers on an event are placed in a pool, taxes and the house-take are deducted, and the pool then distributed across all winning wagers in proportion to the size of the wager. Unlike fixed-odds betting, the participant is effectively gambling against other participants in the pool rather than against the wagering operators, with the actual odds being unknown until the prize pool is distributed. In some countries, pari-mutuel wagering is more commonly known as totalisator (or tote) wagering and is applicable to events where participants finish in a ranked order. In some jurisdictions, pari-mutuel is the only legal form of wagering.
- **Fixed-odds wagering** is a form of betting whereby the bettor is offered odds by a wagering operators on a specific outcome, with the odds fixed at the time when the bet is placed. In this instance, the participant is gambling against the wagering operators.

The other form of gambling is gaming, which involves placing a wager on an event of pure chance, or mixed skill and chance, including Electronic Gaming Machines (**EGMs**), lotteries, Keno, casino games, and so on.

In wagering, wagers may be placed through offline (sometimes known as land-based), telephone or online channels. The online (or digital) channel involves placing of a wager through the internet using a computer, internet-enabled mobile phone or some other connected device. This is sometimes known as interactive betting or interactive wagering. In the US, online sports betting is generally known as mobile sports betting, reflecting that the majority of wagers are placed through a mobile device.

2.1.2.2 Turnover/Expenditure/Revenue

The size of gambling markets is principally measured in two ways: **turnover** (also known as the handle) is the total amount gambled, before payment of winnings, and **revenue**, which, as defined in this report, is the total amount earned (after payment of winnings) by wagering operators, before payment of taxes or operating costs, and equates to **expenditure** (i.e. the total amount lost) by gamblers. Revenue is also referred to as Gross Gaming Revenue (**GGR**) or Gross Gambling Yield (**GGY**), defined as the amount gambled minus payment of winnings.

2.1.3 Methodology

Data provided in this report is based on publicly available data sources, including government statistics and reports, company reports and presentations, press articles and reports, and analyst reports. Market size estimates are based on data reported by gambling commissions, wagering operators, industry analysts and Frost & Sullivan’s own estimations.

All financial data in the report is given in local currencies as indicated. For data in other currencies, a conversion to Australian dollars (\$) has been given based on the exchange rate as at 12 July 2021:⁴

\$1=	€0.63	HK\$5.8	¥82	£0.54	US\$0.75
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Source: Xe.com, accessed 12 July 2021.

³ William N. Thompson, *Gambling in America: An Encyclopedia of History, Issues and Society* (Santa Barbara, CA, 2001)

⁴ Xe.com, accessed 12 July 2021

2.2. Company Overview and Services

2.2.1 Overview

The Company is the holding company of Racing and Sports.

Racing and Sports is a provider of sports data and technology services. Currently, Racing and Sports focuses on racing; however, it plans to leverage its existing technology capability to also expand its services into other sports. Racing and Sports has five main revenue streams:

1. Provision of wholesale data, content and editorial to racing authorities, wagering operators and media organisations (**B2B**);
2. Provision of data and content to consumers (**B2C**);
3. Provision of technology platforms to wagering operators;
4. Race-day operations for racing authorities; and
5. Integrity services provided to racing authorities, regulatory bodies and governments.

2.2.2 Growth Drivers

There are a number of factors that are likely to stimulate demand for the Racing and Sports' services, as summarised below, and which are described further in this report.

- The globalisation of the sports industry, which drives increased demand for data and content, together with factors such as increased focus on integrity and regulatory compliance;
- Growing desire by rights holders to monetise their data;
- Increased use of technology in sports; for example, in areas such as integrity and racing operations;
- Growing demand from industry participants for data and content, which enhances the interest and the experience of consumers in the sport;
- Growth in the global wagering market, especially through the online channel, reflected in increased wagering participation and wagering turnover. This is driven by a range of factors, including product innovation and promotional activities by wagering operators, and legalisation and regulation of wagering activities in additional markets (such as in the US);
- Fragmentation in the wagering sector, resulting in the emergence of a growing number of wagering operators, particularly given the lower entry barriers for online wagering operators. This drives a need for competitive differentiation among wagering operators, which can be achieved in areas such as technology and content;
- Globalisation of wagering is facilitated by the online channel and is reflected both in the ability of consumers to wager on events globally, as well as for wagering operators to provide wagering services on global events. This drives an increased demand for access to global racing and sports data; and
- Increased use of technology in wagering services, including in areas such as process automation, is driving a growing need for wagering operators and other bodies to invest in technology platforms.

2.3. Data and Technology Services

Data and technology services involve the provision of data, content and technology platforms to sports stakeholders, including rights holders, regulatory authorities, wagering operators and media organisations. The globalisation of wagering markets, rapid growth in online wagering and the growth in 'in-play' wagering are driving strong demand for the delivery of official sports data in real time.

2.3.1 Data

Data services involve the collection, customisation and distribution of official sports data sanctioned by rights holders in real time to relevant stakeholders, with the data provider having the rights to collect and monetise the data. In racing, this includes data such as runners, riders, form, starting prices, fields, scratchings and results. This data is primarily supplied to wagering operators, who require official, accurate and real-time data to effectively manage their wagering business. Access to official data gives wagering operators security of data supply and ensures integrity in operations such as updating odds and settling wagers. Other stakeholders with a requirement for data include regulatory authorities and consumers. Racing content can also include streamed video, delivered to wagering premises and broadcast channels and online sites, as well as various types of written content (such as form guides and wagering tips) delivered through online and offline channels.

Additionally, racing data providers may provide race-day management and racing integrity services to racetracks/racecourses and regulatory bodies.

Outside racing, data and content is also generated in a large range of other sports, with strong growth in wagering on these sports and the development of new wagering formats such as 'in-play' wagering driving demand for real-time data. In addition to official data, service providers are increasingly providing content, such as streamed video and written content, related to sporting events.

2.3.2 Technology

Technology providers supply wagering operators with 'white-label' wagering platforms that can allow wagering operators to manage all aspects of their wagering operations, including informatics, pricing and risk management. The availability of these platforms significantly lowers barriers to entry for new industry participants. Technology platforms can be customised to the requirements of the individual wagering operator, allowing the wagering operator to offer a differentiated service without the requirement to develop their own platform.

2.3.3 Market Drivers

Demand for data and technology services is rising among industry participants, driven by:

- the increasingly globalised nature of racing and other sports, which drives a growing need for access to data and content from international markets;
- the strong growth in 'in-play' wagering, driving a growing demand for real-time data;
- increased fragmentation of the wagering sector and the number of new entrants into wagering;
- the desire of racing and other sports authorities to enhance consumer interest and participation in the sport, as well as monetising their data;
- a growing focus on integrity in sporting operations; and
- the need for wagering operators and media organisations to differentiate themselves through the provision of innovative and unique data and content.

2.3.4 Competitive Environment

The sports data and technology services industry is highly fragmented, with a wide range of organisations providing data, content and technology services of various types to industry stakeholders.

Major industry participants in sports data and technology services are summarised below. These companies include those focusing on racing, such as Racing and Sports, BetMakers Technology Group, Sports Information Services (**SIS**), Equibase and Vermantia, and companies focused on other sports, such as Genius Sports Group, Kambi Group, Sportradar, Stats Perform and IMG ARENA.

Table 2.1: Data and Technology Services Providers, Global, 2021

Company (Headquarters)	Status	Sports Focus	Comments
Racing and Sports (Australia)	Private	Racing	Provides services to the global wagering industry with premium data, enhanced content, media services and technology solutions
BetMakers Technology Group (Australia)	Public (ASX)	Racing	Acquired the racing, tote and digital businesses of Sportech Plc in 2021, giving access to data and technology services in Europe and the US. Combined revenue \$56 million (FY2021)
Sports Information Services (SIS) (UK)	Private (jointly owned by several UK wagering operators and race courses)	Racing	Provides data and video content as well as markets and pricing data to wagering operators, including to retail premises and online wagering operators. Revenue £212 million (\$393 million) (FY2020)
Equibase (US)	Private (partnership between The Jockey Club and the Thoroughbred Racing Associations of North America (TRA))	Racing	Provides racing information and statistics on US thoroughbred racing
Vermantia (Greece)	Private	Racing	Provides video content and data on over 50,000 races per year from the UK, Australia, South Africa and the US. Acquired in 2018 by Arena Racing Company, which owns 16 UK racecourses
Genius Sports Group (UK)	Public (NYSE)	Multiple (including soccer, basketball, NFL)	Data and technology services provider to over 600 wagering operators and sporting bodies, covering 240,000+ sporting events. Revenue US\$145 million (\$193 million) (FY2020)
Kambi Group (Malta)	Public (NASDAQ Stockholm)	Multiple (over 30)	Provides sports betting technology to 30+ wagering operators globally, as well as risk management and sports integrity services. Revenue €118 million (\$187 million) (FY2020)
Sportradar (Switzerland)	Public (NASDAQ)	Multiple (including soccer, baseball, ice hockey, NASCAR)	Provider of sports data and digital content to over 1,500 customers, covering 750,000 events annually across 83 sports. Revenue €405 million (\$643 million) (FY2020)
Stats Perform (US)	Private	Multiple (including soccer, baseball, tennis)	Provides sports data and analytics services across various sports sectors
IMG ARENA (UK)	Private (subsidiary of IMG Group)	Primarily tennis and golf	Provides sports data and content across multiple sports, including live streaming services

Sources: company websites, reports and presentations.

2.4. Global Racing Industry

Thoroughbred racing is a global industry with racing undertaken in many countries. Additionally, greyhound racing occurs in a number of countries (primarily the UK and Australia) and harness racing in Australia, the US and some European countries.

2.4.1 Industry Size and Growth

In 2018 (the latest year for which information has been released), based on data collected for 52 jurisdictions by the International Federation of Horseracing Authorities, the global thoroughbred racing industry involved almost 150,000 races, prize money of €3.4 billion (\$5.4 billion) and wagering turnover of €109.8 billion (\$174.2 billion).⁵

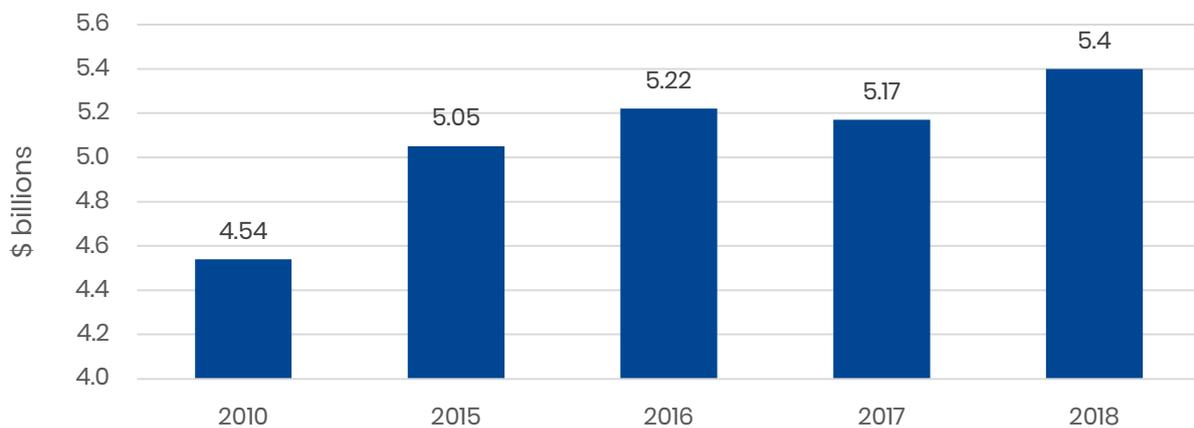
Table 2.2: Thoroughbred Racing, Industry Snapshot, Global, 2018

Races	Runners	Prize Money	Wagering Turnover
149,948	1,275,225	€3.4 billion	€109.8 billion

Source: International Federation of Horseracing Authorities, Annual Report 2018. Data includes flat and jumps racing.

Between 2010 and 2018, global prize money increased at a CAGR of 2.2%.

Figure 2.1: Thoroughbred Racing Prize Money, Global, 2010 to 2018



Source: International Federation of Horseracing Authorities, Annual Reports. Data converted from € to \$ at constant exchange rates. Data includes flat and jumps racing.

2.4.2 Main Markets

The six largest global markets for thoroughbred racing, measured in terms of prize money and wagering turnover, are (in alphabetical order) Australia, France, Hong Kong, Japan, the UK and the US. Cumulatively, converted to \$, these six markets represent approximately \$4.3 billion in prize money and \$144 billion in wagering turnover. Summary data on the thoroughbred racing industries in these jurisdictions is given below.

⁵ International Federation of Horseracing Authorities, Annual Report, 2018

Table 2.3: Thoroughbred Racing, Industry Snapshot, Key Markets, 2020 or Latest Available

	Annual Number of Races	Annual Prize Money	Annual Wagering Turnover
Australia	~18,600	\$738 million	\$26.9 billion*
France	~7,000	€257 million (\$408 million)	€8.8 billion (\$14 billion)
Hong Kong	~800	HK\$1.4 billion (\$241 million)	HK\$121 billion (\$20.9 billion)
Japan	~18,200	¥108 billion (\$1.3 billion)	¥3,555 billion (\$43.6 billion)
UK	~10,000	~£160 million (\$296 million)	£13.2 billion (\$24.4 billion)
US	~27,700	~US\$870 million (\$1,160 million)	US\$10.9 billion (\$14.5 billion)

Sources: Australian gambling statistics, 2018–19; Racing Australia Fact Book, 2019–20; France Galop, Key Figures; Hong Kong Jockey Club, annual report; Japan Racing Association (**JRA**) and National Association of Racing (**NAR**) statistics; British Horseracing Authority, Data Pack full year 2020; Gambling Commission Industry Statistics, 2020; Equibase, Thoroughbred Racing Economic Indicators for Year-End 2020.

*Includes greyhound and harness racing.

2.4.2.1 Australia

In Australia, thoroughbred racing is regulated by eight state- and territory-based Principal Racing Authorities (**PRAs**), such as Racing NSW and Racing Victoria. In 2020, the industry comprised 34,337 horses in training and more than 3,000 trainers. Approximately 18,600 races occurred at 2,485 race meetings, offering a total of \$738 million in prize money. Between 2003 and 2020, prize money increased at a CAGR of 4.87%.⁶ Racing wagering turnover (including greyhounds and harness racing) was \$26.9 billion in 2018–19.⁷

2.4.2.2 France

Thoroughbred racing in France is regulated by France Galop, which, with its trotting counterpart LeTROT, co-owns Pari Mutuel Urbain (**PMU**). PMU is the principal pari-mutuel wagering operator and has a regulated monopoly on retail wagering in France. There are approximately 140 racecourses in France hosting around 7,000 races per year, with total prize money of €257 million (\$408 million) and wagering turnover of €8.8 billion (\$14 billion).⁸

2.4.2.3 Hong Kong

Racing in Hong Kong is regulated by the Hong Kong Jockey Club (**HKJC**), which is also authorised by the Hong Kong government to provide wagering, via its subsidiaries, on horseracing and football. In 2020, there were approximately 800 races across the two racecourses in Hong Kong, with total prize money of HK\$1.4 billion (\$241 million) and wagering turnover of HK\$121 billion (\$20.9 billion).⁹

2.4.2.4 Japan

In Japan, thoroughbred racing is organised by two regulatory bodies: the Japan Racing Association (**JRA**), which organises racing at 10 major racecourses, and the National Association of Racing (**NAR**), which organises racing at local racecourses. The JRA and NAR manage horseracing operations, racecourses and pari-mutuel betting operations, both on-course and off-course. Horseracing is one of the few sports in Japan where wagering is legal, through the pari-mutuel system. In 2019, there were approximately 18,200 races in Japan, generating ¥108 billion (\$1.3 billion) in total prize money and wagering turnover of ¥3,555 billion (\$43.6 billion).¹⁰

2.4.2.5 United Kingdom

The British Horseracing Authority (**BHA**) is the regulatory authority for horseracing in Great Britain. It was formed on 31 July 2007, after the merger of the British Horseracing Board (**BHB**) and the Horseracing Regulatory Authority (**HRA**). In 2020, there were approximately 10,000 races across 1,400 scheduled meetings in GB. Total prize money was approximately £160 million (\$296 million) and total wagering turnover £5.83 billion (\$10.8 billion).¹¹

⁶ Racing Australia, Racing Australia Fact Book, 2019/20

⁷ Queensland Government Statistician's Office, Queensland Treasury, Australian gambling statistics, 36th edition, 2018–19

⁸ France Galop, Key Figures

⁹ HKJC annual report, 2020

¹⁰ JRA and NAR Statistics, 2019

¹¹ British Horseracing Authority, Data Pack full year 2020

2.4.2.6 United States

Thoroughbred racing in the US is primarily regulated at state level through state racing commissions or gaming commissions, which regulate racing rules, health and safety and betting. In 2020, there were approximately 27,700 races in the US (a drop from 36,207 in 2019 due to COVID-19) with total prize money of US\$870 million (\$1,160 million), down from US\$1,168 million (\$1,557 million) in 2019. Racing wagering in the US is currently restricted mainly to pari-mutuel, with total wagering turnover of US\$10.9 billion (\$14.5 billion) in 2020, although fixed-odds wagering has recently been legalised in New Jersey.¹²

2.5. Global Wagering Market

This section describes the global wagering industry, including its regulatory status, market drivers and trends, industry size and growth, and the competitive environment in key markets.

2.5.1 Regulatory Status

Many governments have traditionally regulated gambling on social, religious or cultural grounds, with a variety of regulatory frameworks that govern factors such as the types of gambling permitted, the characteristics of individuals (for example, age, ethnicity, nationality) permitted to participate in gambling, protection offered to consumers, advertising of gambling services and taxation levied on gambling. Hence, a wide variety of regulatory frameworks exist.

Traditionally, gambling occurred in land-based facilities (such as at physical casinos, retail premises, pubs and clubs, racecourses and racetracks), where service provision and consumer participation could generally be managed; however, the emergence of the internet as a new channel for gambling has created a need for evolved regulatory frameworks, given factors such as the availability of cross-border services through the online channel and the emergence of new gambling formats.

These frameworks range from those where all or most forms of online gambling are permitted (white), to those where it is explicitly prohibited or significantly restricted (black). However, in many jurisdictions, regulatory frameworks have yet to fully account for online gambling and the current regulations are therefore ambiguous (grey markets). The complexity of regulations governing gambling is compounded by the fact that in some countries regulation occurs at state/provincial rather than national level, resulting in different regulatory frameworks within a single country.

In white markets, service providers generally require a licence to operate, with licensing regimes ranging from state monopolies through to allowing an unrestricted number of licensed service providers. In these markets (sometimes called 'regulated markets'), licensed operators have explicit permission to operate subject to licence conditions and industry regulations that include levying of gaming taxes, whereas in grey markets (sometimes called 'unregulated markets'), operators are generally unlicensed, do not have explicit approval to offer services and are not levied gaming taxes.

A 2019 survey of over 40 international jurisdictions indicated that sports betting was the most permitted type of online gambling (permitted in 67% of jurisdictions), followed by numbers games (bingo/lotteries) at 63% and iGaming at 38%.¹³

The general trend across developed countries (such as Europe, the US, Canada and Australia) is for legalisation of online wagering subject to regulatory controls. However, in many markets the regulatory frameworks continue to evolve. A summary of current wagering regulations by sport in key markets is given below.

Table 2.4: Regulation of Wagering by Market, 2021

	Racing		Other Sports
	Fixed-odds	Pari-mutuel	Fixed-odds
Australia	✓	✓	✓
France	✓	✓	✓
Hong Kong	✓	✓	X
Japan	X	✓	X
UK	✓	✓	✓
US	New Jersey only	✓ (in about 40 states)	✓ (in about 20 states)

Source: Frost & Sullivan. Information is as at end-July 2021.

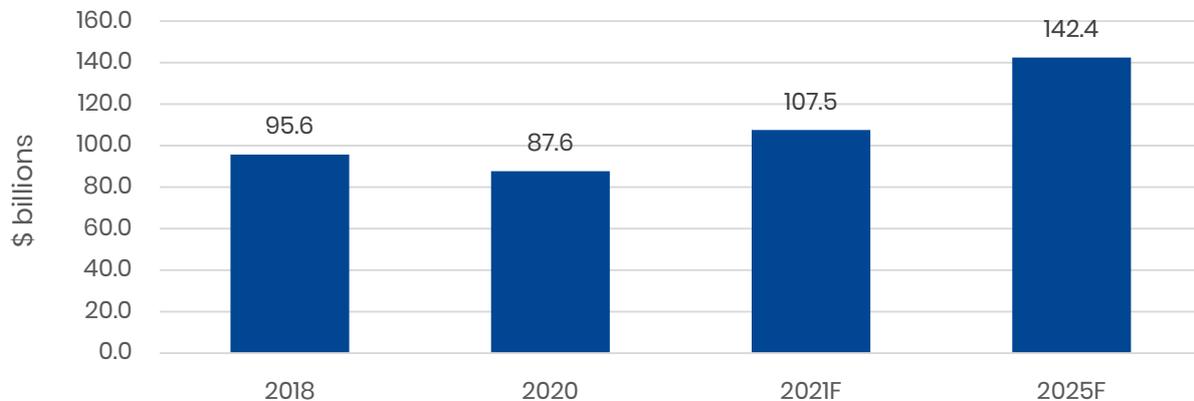
¹² Equibase, *Thoroughbred Racing Economic Indicators for Year-End 2020*

¹³ International Association of Gaming Regulators (IAGR), *Gambling Regulation – Global Developments 2018–19 (Markets)*, IAGR Gambling Regulator Survey 2019_Markets_FINAL Web.pdf

2.5.2 Market Size

Global wagering revenue (fixed-odds only) was estimated at €55.2 billion (\$87.6 billion) in 2020, and is forecast to increase to €89.7 billion (\$142.4 billion) by 2025 at a CAGR of 10.2%.

Figure 2.2: Wagering Revenue, Global, 2018 to 2025F



Source: Kambi Annual Report and Accounts 2020. Data converted from € to \$ at constant exchange rates. Includes fixed-odds only on racing and other sports, offline and online.

2.5.3 Market Drivers and Trends in Wagering

Some of the main trends and market drivers in wagering are outlined below.

2.5.3.1 Growth in Online Wagering

As with many products and services, the internet is gradually replacing offline channels as a distribution channel for gambling services. Globally in 2019, 57% of households had home internet access (up from 20% in 2005), and in developed markets 87% of all adults use the internet.¹⁴ The rollout of improved fixed and mobile internet services (such as 4G and 5G networks) improves the speed and reliability of internet connections, providing a further stimulus to online activities. In developed countries, 97% of the population is now covered by a 4G network.¹⁵ Additionally, the widespread use of smartphones and product innovations by wagering operators has further stimulated the shift to online wagering. The COVID-19 pandemic in 2020 also significantly accelerated the shift from offline to online channels for wagering, given the enforced closures of many retail wagering outlets. However, even after the onset of the COVID-19 pandemic, the online channel is still estimated to account for only 20% of total gambling revenue, suggesting significant opportunity for future growth.¹⁶

The shift to online wagering has also significantly lowered barriers to entry for new entrants, and over recent years many new wagering operators have entered the wagering sector.

2.5.3.2 Regulation of Wagering

In several countries, wagering is being legalised/expanded through new regulatory frameworks that are broadening the wagering market. The US is the main example of this, with sports betting increasingly available in individual states, and fixed-odds betting on horseracing also being introduced (see Section 2.5.7), but other markets such as Canada, Germany and Sweden have also recently introduced regulatory frameworks that provide legal settings for wagering. For example, in Canada, single-event sports wagering has recently been legalised. Potential future changes to regulation of wagering in markets such as Brazil, Chile and Japan may also act to further expand the wagering market.

2.5.3.3 Globalisation of Wagering

The growth in the online channel has driven a globalisation of wagering activities, as participants have increasingly been able to place wagers on events outside their home market, and service providers have expanded their operations globally. For example, in the European Union (EU), any wagering operator with a licence in one country can legally offer services elsewhere in the EU.

¹⁴ International Telecommunications Union (ITU), Development Sector, *Measuring digital development, Facts and Figures 2020*, ITU Publications, <https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2020.pdf>, accessed 26 September 2021

¹⁵ ITU, *Facts and Figures, 2020*

¹⁶ Betsson AB (publ) Q2/2020, *Interim Report October–December 2020*

2.5.3.4 Consolidation in Wagering

Globally the wagering industry remains highly fragmented, with regulated monopolies still existing in many markets, covering the entire wagering sector or segments within it (for example, retail wagering). However, a number of global wagering operators have contributed to consolidation of the industry through acquisitions or partnerships in new markets. Some major international transactions (actual and proposed) in wagering in recent years are summarised below.

Table 2.5: Major Global Wagering Transactions, 2020 and 2021

Year	Acquiree	Acquiror	Comments
2020	Stars Group (Canada)	Flutter Entertainment (Ireland)	Merger of Flutter and Stars Group. Merger valued Stars Group at £4.95 billion (\$6.6 billion)
2020	FanDuel Group (US)	Flutter Entertainment (Ireland)	FanDuel progressively acquired by Flutter between 2018 and 2020 for US\$4.2 billion (\$5.6 billion) for 95% stake
2021	William Hill (UK)	Caesars Entertainment (US)	Acquisition of William Hill for £2.9 billion (\$3.87 billion) to give Caesars access to William Hill's US betting business and technology
2021	Tabcorp (Australia)	Entain (UK)	Proposed acquisition of Tabcorp's Wagering & Media business for \$3.5 billion

Sources: company websites and press reports.

2.5.3.5 Use of Technology by Wagering Operators

In an increasingly competitive market, wagering operators are leveraging technology to achieve competitive advantage. This includes development of wagering platforms that use artificial intelligence (AI) and automation to drive personalised offers to participants, optimise pricing and improve user engagement. Technology can also be used to introduce new types of wager and service features, with many wagering operators using white-label platforms provided by third-party providers, driving a growing market for wagering platforms.

2.5.4 Competitive Environment in Wagering

Despite some consolidation, the global wagering industry is fragmented, with many wagering operators operating on a national basis. However, there are also a number of larger operators providing services across multiple markets. Many of these companies are UK-based, reflecting the fact that the UK has had a large land-based gambling sector for many years and was one of the first countries to regulate online gambling. Several of these companies have expanded internationally, primarily through the online channel.

Several markets where wagering is fully or partly legalised have regulated monopoly providers (such as Hong Kong and Japan). In other markets, wagering is deregulated and any wagering operator can offer services subject to having the appropriate licence.

The 10 largest global wagering operators are listed below. These include companies with monopoly or part-monopoly positions in their domestic markets (for example, JRA, HKJC, Tabcorp, PMU)¹⁷ and companies operating in multiple markets. As well as wagering, many of these companies also offer other gambling formats, such as lotteries and online gaming (such as online casino games and poker).

¹⁷ Tabcorp has a monopoly of retail wagering operations in all states except WA. PMU has a monopoly on retail wagering operations in France.

Table 2.6: Main Wagering Service Providers, Global, 2020

Company (HQ)	Main Brands	Main Markets	Revenue
Japan Racing Association (Japan)	<ul style="list-style-type: none"> JRA 	<ul style="list-style-type: none"> Japan 	<ul style="list-style-type: none"> ¥720 billion (\$8,785 million)
Hong Kong Jockey Club (HK)	<ul style="list-style-type: none"> Hong Kong Jockey Club 	<ul style="list-style-type: none"> Hong Kong 	<ul style="list-style-type: none"> HK\$31.5 billion (\$5,431 million) total HK\$29.1 billion (\$5.0 billion) wagering (horseracing and soccer)
Flutter Entertainment (UK)	<ul style="list-style-type: none"> Paddy Power Betfair Fox Bet Sportsbet Sky Betting and Gaming 	<ul style="list-style-type: none"> UK & Ireland Australia US 	<ul style="list-style-type: none"> £4,398 million (\$8,144 million) total £2,579 million (\$4,776 million) wagering
Entain (UK)	<ul style="list-style-type: none"> Ladbrokes Coral Bwin Eurobet Sportingbet 	<ul style="list-style-type: none"> UK Germany Australia Italy 	<ul style="list-style-type: none"> £3,628 million (\$6,719 million) Wagering not separately reported
bet365 (UK)	<ul style="list-style-type: none"> bet365 	<ul style="list-style-type: none"> UK Europe 	<ul style="list-style-type: none"> £2,982 million (\$5,222 million) Wagering not separately reported
Pari Mutuel Urbain (France)	<ul style="list-style-type: none"> PMU 	<ul style="list-style-type: none"> France 	<ul style="list-style-type: none"> €2,407 million (\$3,821 million)
Caesars Entertainment (US)	<ul style="list-style-type: none"> William Hill Mr Green 	<ul style="list-style-type: none"> UK US 	<ul style="list-style-type: none"> £1,324 million (\$2,452 million) total (William Hill only) £1,298 million (\$2,403 million) wagering
Tabcorp (Australia)	<ul style="list-style-type: none"> TAB 	<ul style="list-style-type: none"> Australia 	<ul style="list-style-type: none"> \$5,686 million (total) \$2,344 million (wagering)
Kindred (Sweden)	<ul style="list-style-type: none"> Unibet 	<ul style="list-style-type: none"> Western Europe Scandinavia 	<ul style="list-style-type: none"> £1,130 million (\$2,093 million) total £488 million (\$904 million) wagering
Betfred (UK)	<ul style="list-style-type: none"> Betfred 	<ul style="list-style-type: none"> UK 	<ul style="list-style-type: none"> £525 million (\$972 million) (total) Wagering not separately reported

Sources: company reports and presentations. Revenue is latest reported.

2.5.5 Australian Wagering Market

Australia is one of the world's largest wagering markets. Although retail (off-course) totalisator wagering has a regulated monopoly provider in each state/territory, interactive (online) wagering has been deregulated, subject to the wagering operator holding a licence.

2.5.5.1 Regulation

Under Australia's constitutional system, the Australian Constitution does not expressly give the Australian Government power to regulate gambling, and traditionally gambling legislation was the preserve of the state and territory governments. This has resulted in different regulatory regimes in each state and territory.

Off-course wagering in most states/territories was introduced in the 1960s, with government-operated Totalisator Agency Board (**TAB**) off-course agencies opened in every state. Off-course fixed-odds wagering was not regulated until 2001, when the Australian Government enacted the first federal law on gambling, the *Interactive Gambling Act 2001* (Cth) (**IGA**), which prevails to the extent of any inconsistency with state or territory legislation. The development of the IGA at the federal level was due to recognition by policymakers that interactive gaming was a new type of gambling activity for which legislation at the national level was needed.

The regulation of online sports wagering is considered an expansion of the existing legal framework at state and territory level, and online wagering services are therefore still subject to state and territory legislation. Each state and territory regulates gambling activities within their respective jurisdictions. The IGA prohibits operators from providing specified interactive gambling services to residents within Australia and in other designated countries (although no other countries have yet been designated). However, the IGA does not prohibit the provision of an ‘excluded wagering service’ (being a service that relates to betting on racing events, sporting events or other events or contingencies in accordance with section 8A of the IGA) to persons in Australia, to the extent the operator holds a licence in a state or territory that authorises the provision of that service in the relevant state or territory.

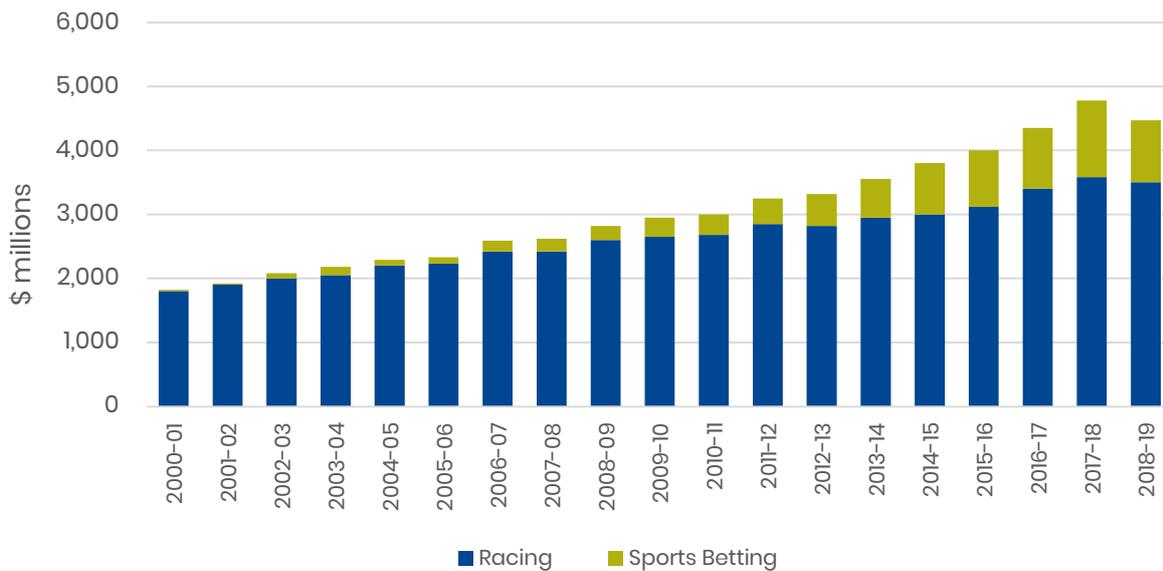
Interactive gambling is regulated at the federal level by the Australian Communications and Media Authority (ACMA), which monitors compliance with and enforces the interactive gambling laws.

2.5.5.2 Market Size & Growth

On a per capita basis, Australians are estimated to be the world’s largest gamblers, with about double the average annual spending of comparable Western countries. Almost 40% of Australian adults gamble regularly (defined as at least once per month), with 5.6% regularly betting on racing and 3.3% on other sports (there may be significant overlap between these two cohorts).¹⁸

In FY2019 (year end 30 June) total wagering turnover on racing in Australia was \$26.9 billion, a growth of 2.1% over 2018 and equivalent to \$1,377 per capita. Sports betting turnover (excluding racing) was \$11.1 billion, a growth of 0.9% over 2018 and equivalent to \$567 per capita. Total wagering turnover was therefore \$38 billion. Measured in terms of expenditure (equating to revenue for wagering operators), racing reached \$3.51 billion in 2019 and sports betting \$961 million. Between 2000 and 2019, expenditure on racing has increased at a CAGR of 3.8% and sports betting at 17.6%.¹⁹

Figure 2.3: Wagering Expenditure by Type, Australia, 2000 to 2019



Source: Australian Gambling Statistics, 2018-19. Expenditure includes on-course bookmakers, on-course totalisators, retail TABs and online TABs/corporate bookmakers.

2.5.5.3 Competitive Environment

Each state and territory allows the provision of a wagering service as long as the service provider has a wagering licence. However, the licensing frameworks of most states/territories only contemplate the licensing of that jurisdiction’s TAB (which in most cases holds a monopoly licence) as well as on-course bookmakers. However, the Northern Territory (NT) licenses multiple online wagering operators. A sports betting operator that is licensed in one state or territory is permitted to offer services across all other states and territories (subject to any specific statutory restrictions that may apply), with the High Court in *Betfair Pty Limited v. Western Australia* 2008 confirming that the placing of restrictions in one jurisdiction on a service provider licensed in another contravened section 92 of the Australian Constitution.

¹⁸ Australian Gambling Research Centre, *Gambling activity in Australia, Research Report 2017*

¹⁹ Australian Gambling Statistics, 2018-19

TABs were originally government-owned. However, most states/territories have privatised their TABs, with Tabcorp Holdings now the monopoly operator of retail TABs under long licences in all states/territories except Western Australia (**WA**), where the TAB is still government-owned (a privatisation process was placed on hold in 2020 given the impact of COVID-19). Tabcorp is a diversified gambling entertainment group with three businesses: Lotteries and Keno; Wagering and Media; and Gaming Services. Its Wagering and Media business offers retail sports betting through approximately 4,000 TAB outlets across Australia, excepting WA. The company also offers online sports betting through its tabcorp.com.au platform. In 2019, Tabcorp estimated it had 57% of Australian sports betting revenue.²⁰ However, this share is declining in favour of specialist online wagering operators, as the online channel takes an increasing share of industry revenue.

Market participants in online sports wagering in Australia can be categorised into two main groups: TABs and corporate bookmakers (such as Sportsbet, Ladbrokes, bet365, BlueBet). Over recent years, several large global wagering operators have entered the Australian market, primarily through acquisition, and a number of locally-based companies have launched and/or expanded their offerings. As at July 2021, there were 41 licensed wagering operators in Australia (excluding on-course bookmakers).

The leading wagering operators in Australia are summarised below.

Table 2.7: Leading Wagering Services Providers, Australia, 2021

Company (HQ)	Wagering Brands	Comments
Tabcorp (Australia)	TAB, Tab.com.au	Wagering revenue of \$2,344 million in FY21, \$2,049 million from racing. Approximately 55% of wagering turnover is through digital channels
Flutter Entertainment (Ireland)	Sportsbet	Australian revenue of £1,075 million (\$1,991 million) in FY20
Entain (UK) (formerly GVC)	Ladbrokes, Neds	Estimated Australian revenue of £263 million (\$487 million) in FY20
bet365 (UK)	bet365	Australian revenue of \$147 million in FY20
PointsBet (Australia)	PointsBet	Australian net revenue of \$68 million in FY20
Racing and Wagering Western Australia (RWWA) (Australia) (WA TAB)	TAB, Pub TAB, TABtouch	Total wagering revenue of \$310 million in FY20. Claimed 39% market share of digital wagering in WA
BlueBet (Australia)	BlueBet	Wagering revenue of \$44 million in FY21

Sources: company websites, presentations and reports. Revenue is latest reported.

2.5.6 UK Wagering Market

The UK is another significant global wagering market, and several UK-based wagering operators have expanded their operations internationally.

2.5.6.1 Regulation

Off-course wagering was legalised in the UK in 1961, and as a result a significant network of retail wagering outlets developed. Although the number of retail outlets has declined in recent years, there were approximately 7,700 licensed betting premises in 2020.²¹ In Great Britain, gambling is regulated by the *Gambling Act, 2005* (UK), which significantly liberalised the gambling industry, including permitting online gambling and allowing gambling companies to run advertisements. Service providers offering online gambling sites to UK residents are required to hold an appropriate licence. The principal regulator for the gambling industry is the Gambling Commission, which has the authority to issue and oversee gambling licences in accordance with the Act. Online gambling is included within the term 'remote gambling', which includes gambling using the telephone, television, radio, or 'any other kind of electronic or other technology for facilitating communication'.

²⁰ Tabcorp, 2019 Macquarie Conference Presentation

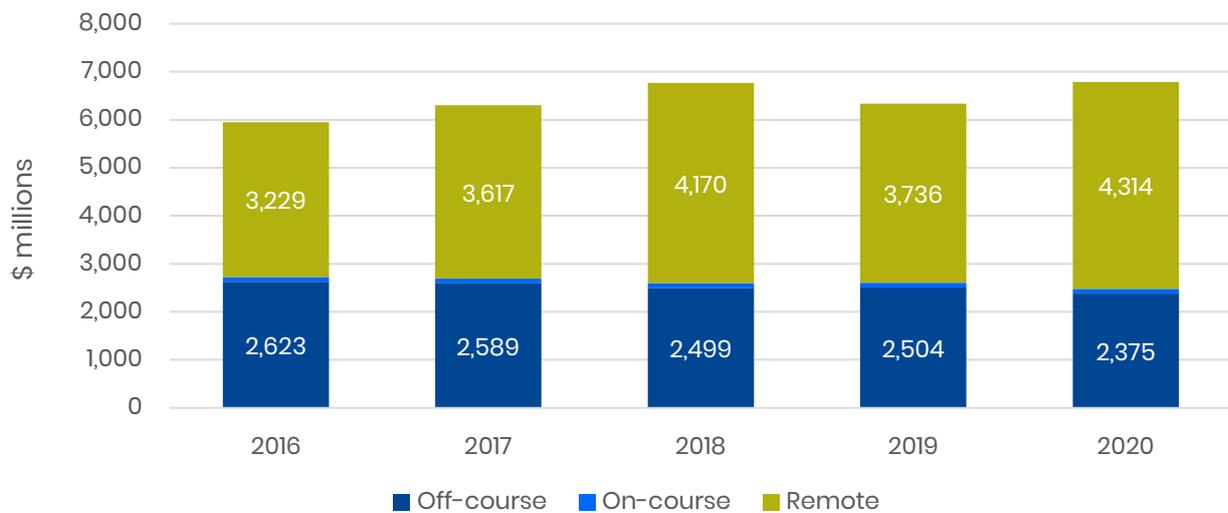
²¹ Gambling Commission, Industry Statistics, 2020

2.5.6.2 Market Size & Growth

Approximately 47% of UK adults are regular gamblers (defined as having gambled at least once in a four-week period), although this falls to 32% if the National Lottery is excluded. In the UK, 4.0% of adults regularly bet on horseracing, 0.7% on greyhound racing and 6.7% on other sports, principally soccer. In both racing and sports betting, wagering is rapidly moving to the online channel, with 81% of individuals undertaking sports betting doing so online in 2019, a 9% increase from 2018, and a 15% decrease in the proportion of individuals wagering on horseracing doing so in person. Regular wagering on a mobile phone has increased from 23% of participants in 2015 to 50% in 2019.²²

In 2020, total racing wagering turnover (including greyhounds) in the UK was £14.9 billion (\$27.6 billion), of which remote wagering (primarily online) accounted for 66%. Wagering turnover on other sports (excluding racing) was £17.7 billion (\$32.8 billion), with the majority generated by wagering on soccer. Measured in terms of revenue, total wagering revenue was £3.63 billion (\$6.73 billion) in 2020. Between 2016 and 2020, wagering revenue has increased at a CAGR of 3.3%. The fastest growth has been in remote wagering (7.5% CAGR).²³

Figure 2.4: Wagering Revenue by Type, UK, 2016 to 2020



Sources: Gambling Commission, Industry Statistics, 2020. Data converted from £ to \$ at constant exchange rates. Data is year end 31 March. Includes horses and greyhounds, excludes off-course gaming machines.

2.5.6.3 Competitive Environment

The wagering industry in the UK is fragmented, with 664 betting licensees as at March 2020. The major wagering operators active in the UK market are Flutter Entertainment, Entain, William Hill and Betfred, all of which have retail and online operations, and bet365 (online only). Summary information on these companies is given below.

Table 2.8: Leading Wagering Services Providers, UK, 2021

Company (HQ)	Wagering Brands	Comments
Flutter Entertainment (Ireland)	Paddy Power, Betfair, Sky Betting & Gaming	UK wagering revenue approximately £1.4 billion (\$2.6 billion) (Paddy Power and Sky Betting & Gaming), excludes gaming revenue
bet365 (UK)	bet365	Global revenue £2.98 billion (\$5.52 billion), UK revenue not separately reported
Entain (UK)	Ladbrokes, Coral	Wagering revenue approximately £2.0 billion (\$3.8 billion) (online sports and retail). UK revenue not separately reported
Caesars Entertainment (US)	William Hill	UK revenue £847 million (\$1,569 million) (includes gaming revenue). William Hill acquired by Caesars Entertainment in 2021
Betfred (UK)	Betfred	Revenue £525 million (\$972 million)

Sources: company reports and presentations. Revenue is latest reported.

²² Gambling participation in 2019: behaviour, awareness and attitudes

²³ Ibid

2.5.7 US Wagering Market

2.5.7.1 Regulation

The US has a complex regulatory environment for wagering, with regulations generally enacted at state level but with federal laws also applying to certain aspects of wagering. As at end-July 2021, the jurisdictions where fixed-odds wagering is legal in the US are listed below.

Table 2.9: Jurisdictions with Legal Fixed-odds Wagering, US, July 2021

Racing	Other Sports		
New Jersey	Nevada	New York	Michigan
	Delaware	Arkansas	Illinois
	New Jersey	New Hampshire	Colorado
	Mississippi	Iowa	District of Columbia
	West Virginia	Indiana	Tennessee
	Pennsylvania	Oregon	Virginia
	Rhode Island	Montana	

Source: Legal Sports Report, 'Legislative Tracker: Sports Betting' accessed from <https://www.legalsportsreport.com/sportsbetting-bill-tracker> (excludes New Mexico and Washington, where sports betting is only permitted in tribal casinos).

2.5.7.1.1 Racing

Legal wagering on racing in the US is currently limited (except in one state) to pari-mutuel wagering, which was first introduced in the early 1900s and is currently legal for horseracing in 41 states and in a lesser number of states on greyhound racing and jai alai (a pelota-like game played with large racquets).²⁴ States differ as to whether off-track pari-mutuel betting is permitted, including simulcasting (the broadcasting of races from more than one track at a single venue). Pari-mutuel wagering services are offered at most racetracks. Pari-mutuel betting on thoroughbred racing, greyhound racing and jai alai was exempted from the restrictions imposed by the *Professional and Amateur Sports Protection Act of 1992 (PASPA)*.

Interstate pari-mutuel wagering on horseracing is also exempted from the restrictions on interstate wagering from the *Interstate Wire Act of 1961 (Federal Wire Act)* as a result of the *Interstate Horse Racing Act of 1978*.²⁵ This act authorised interstate wagering on horseracing, including the use of simulcasting (broadcasting of races to gambling venues other than the racetrack). Consequently, licensees in one state are able to offer services to residents of other states where pari-mutuel wagering is legal.

Although racing wagering is currently limited to pari-mutuel in most states, a regulatory process approving fixed-odds wagering on racing is currently underway in the State of New Jersey, with a bill signed by the governor in August 2021.²⁶ This may also lead to the legalisation of fixed-odds wagering on racing in other jurisdictions.

2.5.7.1.2 Other Sports

Individual game sports betting (except on horseracing, greyhound racing and jai alai) in the US had been effectively illegal following the passage of the PASPA. PASPA made it unlawful for a state to sponsor, operate, advertise, promote, license or authorise sports betting, and for private individuals to do the same if done pursuant to the law or agreement of the state, except in states where sports betting was legal at the time the law was enacted (1992), or which legalised sports betting within a year of that date. Four states qualified under this exemption, primarily Nevada, which was the only state where true sports betting was allowed; there were also limited exemptions in Oregon, Delaware and Montana.

Following a legal challenge by the State of New Jersey, in May 2018, the US Supreme Court declared that PASPA was unconstitutional, allowing individual states to decide whether to legalise sports betting. Following this, a number of states have legalised sports betting and commercial services have been launched. A major driver has been the opportunity to boost state revenues through levying of gambling taxes. As at July 2021, 20 jurisdictions had legalised sports betting (see Table 2.9).

It should be noted that the striking down of PASPA only allows intrastate sports wagering schemes to operate. Interstate schemes are prohibited under the *Federal Wire Act of 1961* (previously the Interstate Wire Act), which prohibits any person from using wire communication in interstate or foreign communication of bets or wagers or information assisting in the placing of bets or wagers.

²⁴ Legal Sports Report, accessed from <https://www.legalsportsbetting.com/states-with-horse-betting/>

²⁵ US Code, interstate horseracing, accessed from <https://uscode.house.gov/view.xhtml?path=/prelim@title5/chapter57&edition=prelim>

²⁶ IGB, accessed from <https://www.igbnorthamerica.com/new-jersey-becomes-first-state-to-legalize-fixed-odds-betting-as-governor-signs-bill/>

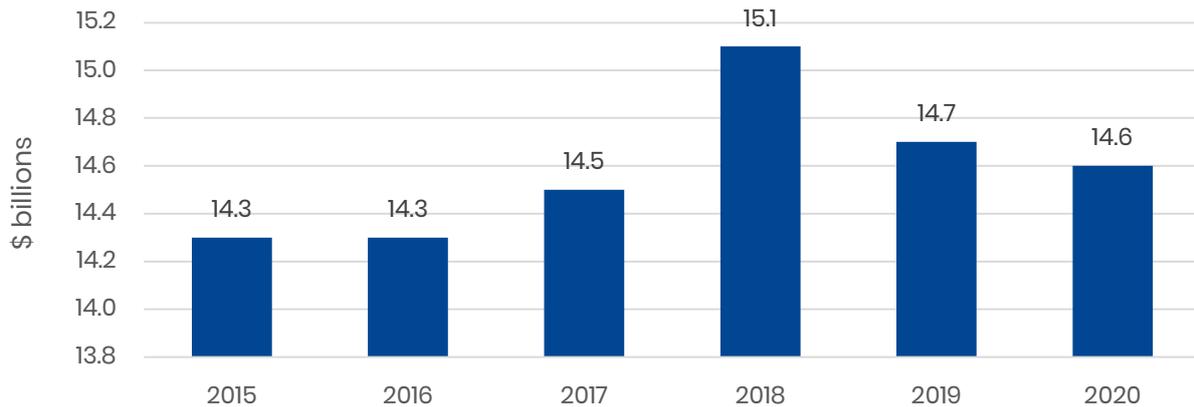
The act of sports betting itself was not made illegal under PASPA. This had created an offshore and illegal onshore sports betting market in the US. Although there is no reliable data on the size of this market, one analyst estimates annual turnover of US\$70 billion (\$93 billion) in illegal sports betting, with US\$3.5 billion (\$4.67 billion) in revenue.²⁷ Legalisation of sports betting is likely to result in a significant switch of wagering revenue from illegal and offshore operators to legal and onshore operators.

2.5.7.2 Market Size & Growth

2.5.7.2.1 Racing

Racing (thoroughbred) wagering turnover in the US has been largely flat at approximately US\$11 billion (\$14.7 billion) per year over recent years.²⁸ However, the introduction of fixed-odds wagering on racing may act to increase wagering turnover.

Figure 2.5: Racing Wagering Turnover, US, 2015 to 2020 (thoroughbred only)

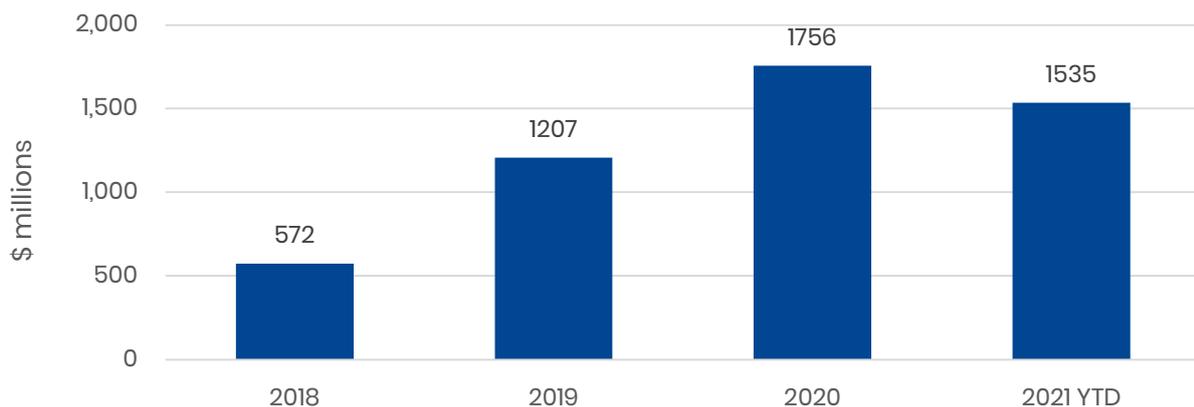


Source: Equibase, Thoroughbred Racing Indicators. Data converted from US\$ to \$ at constant exchange rates.

2.5.7.2.2 Other Sports

Sports betting revenue has increased significantly in the US since 2018 as additional jurisdictions legalise the activity, although revenue growth was temporarily impacted in mid-2020 by the suspension of many sports due to COVID-19. In 2020, national sports betting revenue reached US\$1,317 million (\$1,756 million) and by May 2021 had reached US\$1,151 million (\$1,535 million) for 2021 YTD, an annualised amount of US\$2,762 million (\$3,683 million).²⁹

Figure 2.6: Sports betting Revenue, US, 2018 to 2021 YTD (YTD May)



Source: UNLV, Center for Gaming Research, United States Sports Betting, Monthly and Year-to-date Revenue Results from States. Data converted from US\$ to \$ at constant exchange rates.

²⁷ Eilers & Krejcik Gaming, Legal Sports Betting, Defining the US Opportunity, April 2019

²⁸ Equibase, Thoroughbred Racing Indicators

²⁹ UNLV, Center for Gaming Research, United States Sports Betting, Monthly and Year-to-date Revenue Results from States

Given the regulatory uncertainty, market analysts have tended to develop forecasts under differing regulatory scenarios, using assumptions on which states legalise sports betting, and the channels permitted under that legalisation. One industry participant estimates that if all 50 US states fully legalise sports betting, including through mobile channels, the US sports betting market (across all channels) would be worth at least US\$22 billion (\$29.3 billion) in revenue. This estimate is based on projecting data from New Jersey to the entire US.³⁰ This is almost 30 times larger than the Australian sports betting market in 2018–19, if racing is excluded.³¹

However, it is very unlikely that sports betting will be legalised in all states and analysts are variously forecasting that by 2025, the US sports betting market (offline and online) will be worth \$8.5 billion to \$13.5 billion, based on differing assumptions about the states where sports betting will be legalised by that date and average spend per adult. Mobile sports betting is likely to account for the vast majority of this revenue.³²

2.5.7.3 Competitive Environment

In US jurisdictions that have legalised sports betting, licences have largely been restricted to existing licensed gambling operators such as racetracks and casinos. As they lack sports betting capability, these licensees have generally partnered with global wagering operators that offer sports betting expertise, technology, and in many cases, their brands. The US market has attracted strong interest from many of the major global wagering operators. Additionally, the leading Daily Fantasy Sports (DFS) participants in the US (FanDuel and DraftKings) have entered the sports betting market, leveraging their existing customer bases and brand names. FanDuel was acquired between 2018 and 2020 by global wagering operator Flutter Entertainment. Summary information on these companies is given below.

Table 2.10: Leading Wagering Services Providers, US, 2021

Company (HQ)	Wagering Brands	Comments
DraftKings (US)	DraftKings	DFS provider, started offering sports betting in 2018 in combination with technology provider SBTech, as well as iGaming. Total revenue of US\$615 million in FY2020, of which B2C was US\$539 million
Flutter Entertainment (Ireland)	Betfair, FanDuel, Fox Bet	Acquired fantasy games provider FanDuel to provide access to US customer base and brand between 2018 and 2020. Sports betting revenue of £458 million (\$848 million) in FY2020
Caesars Entertainment (US)	William Hill, Caesars	Caesars acquired William Hill in April 2021. US revenue of £159 million (\$294 million) in FY2020, 98% from sports betting
Entain (UK)/MGM (US)	BetMGM	Entain formed joint venture with MGM in 2018. BetMGM revenue US\$178 million (\$237 million) in 2020
bet365 (UK)	bet365	Global revenue £2.98 billion (\$5.52 billion), US revenue not separately reported

Sources: company reports and presentations. Revenue is latest reported.

2.5.8 Other Markets

Other significant wagering markets include Japan, Hong Kong and France.

2.5.8.1 Japan

Gambling law in Japan is still mainly based on a 1907 law that allowed citizens to bet on specified 'public' sports, namely horseracing and bicycle racing, with motorbike and motorboat racing subsequently added to the sports where pari-mutuel betting is legal. Football pools (Toto) has subsequently been legalised, with state-owned bodies the only legal operators of gambling on football pools and the four public sports (such as the JRA and NAR for horseracing). However, there is no legal framework prohibiting Japanese citizens from using overseas-based online gambling sites, and many overseas sites promote services to Japanese citizens, such as bet365. Total wagering turnover on overseas-based sites is estimated at US\$40 billion (\$53 billion) per year.³³

³⁰ Draft Kings Investor Day, March 2021

³¹ Based on Australian sports betting revenue of \$0.96 billion (Australian Gambling Statistics, 2018–19)

³² Morgan Stanley, All in on best-of-breed sports betting (2020); GVC Holdings (Entain), 2020 interim results

³³ Financial Times, accessed from <https://www.ft.com/content/f650c035-4e87-406d-9b8a-7b298146450f>

Japan is the largest global market for racing wagering, with wagering services available both on-course and at off-course facilities ('WINS') operated by the JRA. In 2019, total JRA and NAR wagering turnover was ¥3,556 billion (\$43.37 billion), with wagering revenue of approximately ¥889 billion (\$10.8 billion).³⁴ Wagering turnover on other sports (motorboat racing, motorcycle racing and bicycle racing) was approximately ¥2,282 billion (\$27.8 billion) in 2019, giving a total regulated wagering market measured by turnover of ¥5,838 billion (\$71.2 billion).³⁵

Based on press reports, the Japanese government is considering legalising wagering on two additional sports (soccer and baseball), potentially by 2024.³⁶

2.5.8.2 Hong Kong

There is a relatively high prevalence of gambling in Hong Kong, with approximately 61% of the adult population gambling over the course of a year. Currently, 12.5% of adults wager on horseracing and 6.6% on soccer (the only two sports on which wagering is legal).³⁷

In Hong Kong, the HKJC is a regulated monopoly provider of wagering, via its subsidiaries, on horseracing and football as well as operating the Mark Six lottery. In 2020, wagering turnover was HK\$213.6 billion (\$36.8 billion) (excluding the Mark Six lottery), with wagering revenue of HK\$29.1 billion (\$5.0 billion).³⁸

2.5.8.3 France

On-course betting on horseracing managed by horseracing companies has been legal in France since the nineteenth century, with off-course wagering by these companies legalised in 1930. The licensed horseracing companies established a common structure (**PMU**) to manage wagering, and PMU is now the third-largest pool betting operator in the world, with 13,300 facilities throughout France. Since 2010, PMU also offers online betting, as well as betting on other sports and poker. In 2018, total PMU wagering turnover was €9.7 billion (\$15.4 billion), of which €8.8 billion (\$14.0 billion) was on horseracing. PMU retains exclusive rights to land-based horseracing wagering in France.

In 2010, the *Gambling Act* (Law number 2010-476) legalised online sports betting (pari-mutuel and fixed-odds) including online wagering on racing. Online gambling is regulated by the *Autorité Nationale des Jeux (ANJ)*, which issues licences and enforces online gambling regulations. ANJ regulates which events licensed operators may offer wagers on. Since 2010, several online WSPs have established operations in France. Leading online WSPs in France include Winamax, Betclac and Unibet, and ZEBet (online pari-mutuel wagering on racing).

Disclosure

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³⁴ JRA and NAR statistics, 2019. Wagering revenue estimated at 25% of turnover

³⁵ Sports operator statistics

³⁶ Financial Times, accessed from <https://www.ft.com/content/f650c035-4e87-406d-9b8a-7b298146450f>

³⁷ Department of Applied Social Sciences, The Hong Kong Polytechnic University, Report on the Study of Hong Kong People's Participation in Gambling Activities in 2016

³⁸ HKJC annual report, 2020

RACING AND SPORTS

3. Company overview



3. Company overview

3.1 About Racing and Sports

(a) Overview

Racing and Sports is a leading provider of fully integrated premium data, enhanced content and SaaS solutions to the global racing and wagering industries. Headquartered in Canberra, Australia, Racing and Sports:

- (i) provides solutions across a range of product segments, including Wholesale Data, Content and Distribution, Wagering Technology and Services, Specialist Data Services, Digital and Media, and Consulting and Integrity Services;
- (ii) operates both a B2B and B2C business model with a longstanding, established customer base of racing bodies and authorities, wagering operators, media and digital organisations, and retail and private clients;
- (iii) has an international footprint with customers in Australia, US, UK, Europe, and Asia;
- (iv) has significant coverage of thoroughbred racing – processing and enhancing data and content from 1,800 racing centres across 30 countries – with additional coverage of harness and greyhound racing across eight and five countries respectively; and
- (v) uses its comprehensive database of over 15 billion data points, including results from major global racing centres and scalable processing systems to deliver premium products and services for its customers globally.

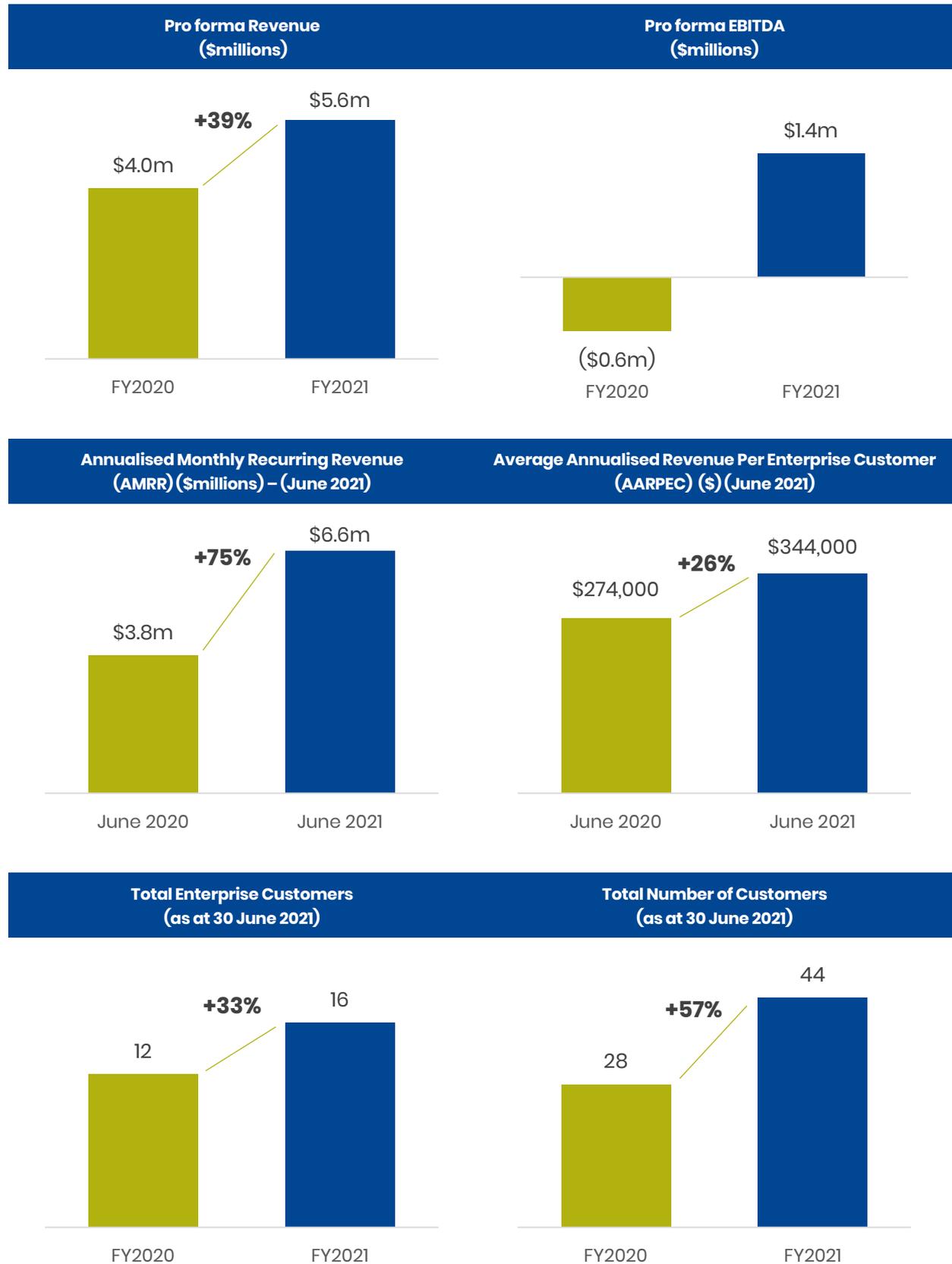
Powered by its comprehensive database of racing information, digital and media assets and innovative wagering technologies, Racing and Sports believes it is well positioned to rapidly scale and expand its global footprint.

Figure 3.1: Overview of Racing and Sports



The 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 FY2021. Growth in revenue and EBITDA has come primarily from new customer acquisitions as well as product and service expansion.

Figure 32: Key Performance Metrics



Racing and Sports is led by an experienced Board and founder-led management team with significant corporate and racing industry experience. Racing and Sports is well positioned to draw upon this experience to execute on the significant domestic and global opportunities described in Section 3.4.

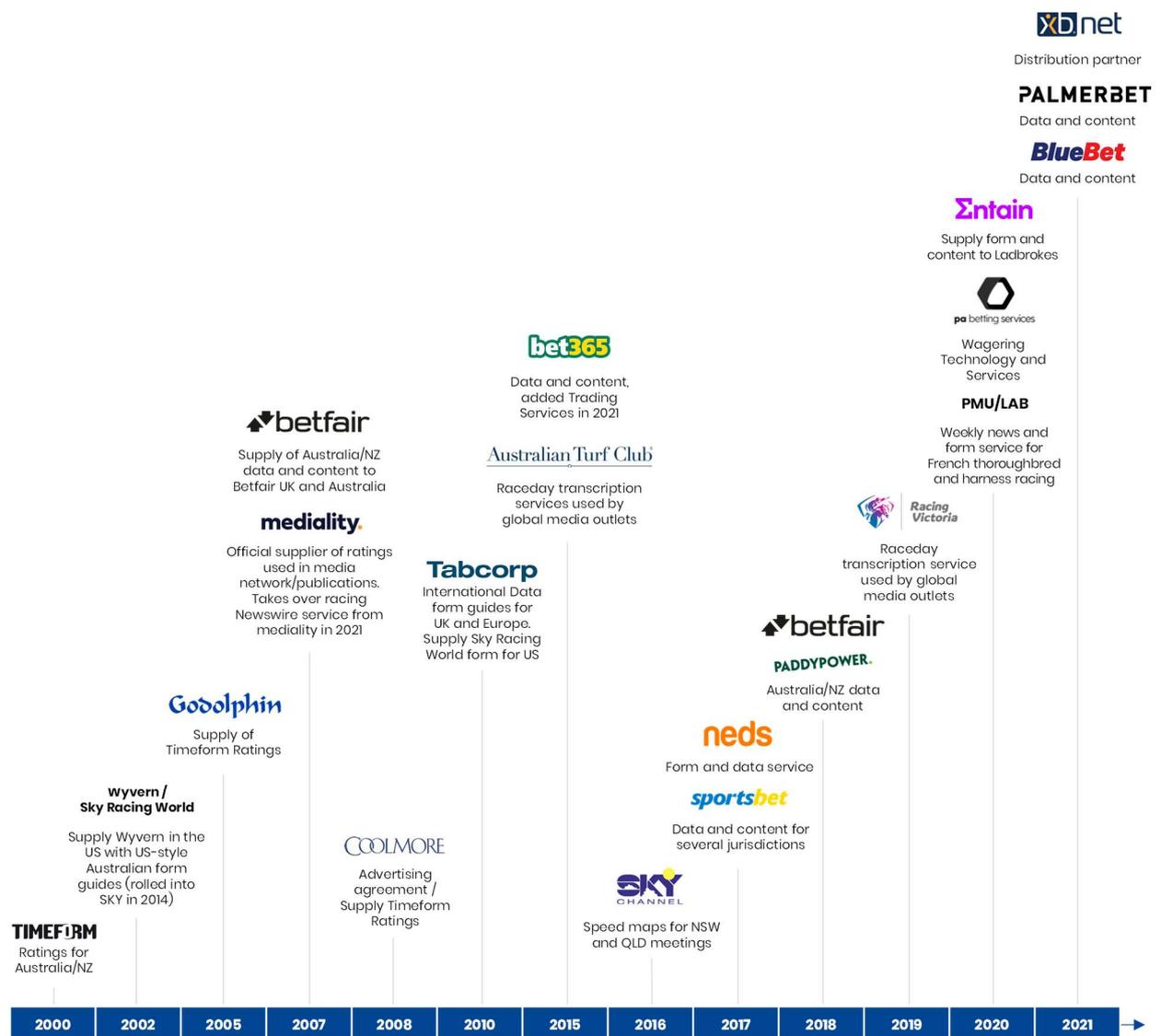
(b) History

Racing and Sports was founded in 1999 by Gary Crispe and Robert Vilkaitis to take advantage of the popularity of the internet and to launch a premium and extensive racing and sports content website, racingandsports.com. The website provides a wide range of news, free form information, interactive features and racing data which attracted over two million unique visitors in the last 12 months to September 2021, with more than 80% of traffic originating from Australia, New Zealand, US, UK, Ireland, South Africa, Singapore and Hong Kong. The website continues to be a valuable digital and media asset, supporting the brand recognition of Racing and Sports globally.

At the same time as establishing the website, Gary and Robert identified a gap in the market for a trusted supplier of racing data and enhanced content for media organisations and wagering operators. In 2000, Racing and Sports secured its first major customer, sports data and content provider, Timeform, to provide ratings for Australia and New Zealand. Racing and Sports remains the exclusive provider of ratings to Timeform in the Southern Hemisphere.

Racing and Sports has developed longstanding relationships with customers across the racing and sports value chain and has a strong track record of service expansion. Management believes this is testament to the integrity of the brand and the quality and depth of its racing products and services. In addition, Racing and Sports’ continued investment in its core technologies and databases has resulted in a significant acceleration of domestic and international customer acquisition, demonstrating the growth potential and global demand for Racing and Sports’ products and services.

Figure 3.3: Historical customer milestones



Since its inception, Racing and Sports' corporate and customer-facing activities have been primarily conducted from its head office in Canberra, Australia.

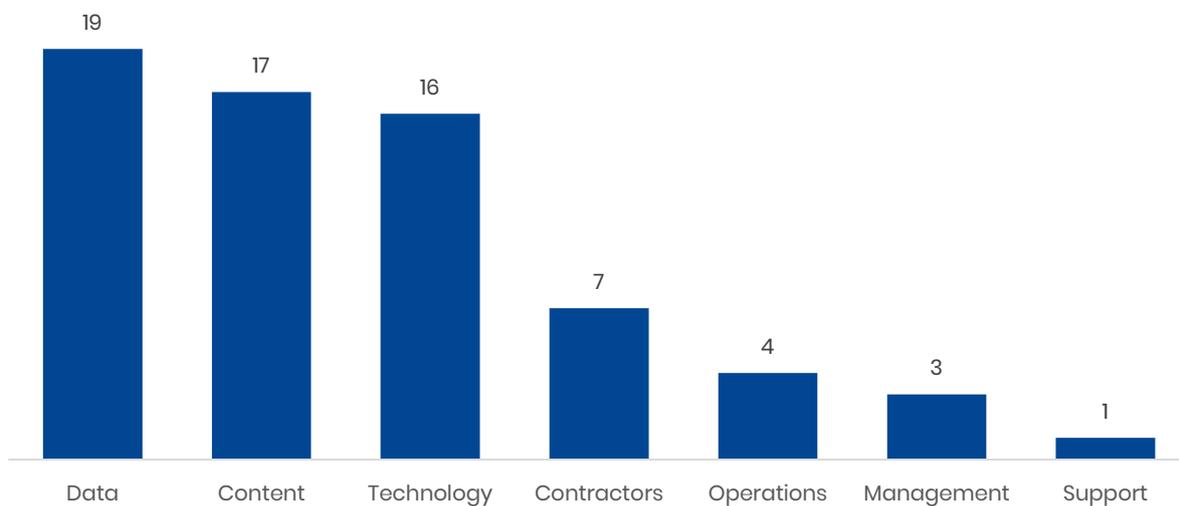
In 2016, Racing and Sports set up business support operations in Colombo, Sri Lanka. The operations were established to provide cost-effective access to highly skilled IT programmers, quality control and 24/7 operational support.

A presence in York, England, UK, was established in 2019 as a base for growing the business development, sales and operations teams to develop and serve the growing UK and European markets. The UK team currently consists of Commercial Director, Brent Dolan, who is actively recruiting additional employees for commencement in 2022.

In addition to Racing and Sports' headquarters in Canberra, a new satellite office in Melbourne, Australia, is currently being established to localise support, and to manage and grow Racing and Sports' digital and media offerings, as well as to provide a second location to attract talent and accommodate Racing and Sports' expanding team. Additionally, to facilitate global growth activities, Racing and Sports intends to establish a presence in the US in 2022.

As at 30 June 2021, Racing and Sports engaged 67 personnel across Australia, the UK and Sri Lanka. As a leading provider of fully integrated premium data, enhanced content and SaaS solutions, the majority of Racing and Sports' employees are engaged in these functions. Historic and continued investment in technology, AI, machine learning and automation underpins Racing and Sports' operations and well positions it for growth and scale.

Figure 3.4: Racing and Sports' personnel by function



3.2 Products and Services

(a) Segment Overview

Racing and Sports' offering comprises a number of products and services across five key segments. Products and services within each segment are described in Section 3.2(b).

Table 3.1: Racing and Sports' Segments

<p>Wholesale Data, Content and Distribution</p>	<p>Wagering operators integrate Racing and Sports' premium data and content to drive customer participation, retention and wagering turnover. Racing and Sports is trusted to enhance and distribute data and content, on behalf of racing authorities and data rights holders, to B2B customers.</p> <p>Racing and Sports can provide wholesale data and content products for 30 countries covering the three codes of thoroughbred, harness, and greyhound racing. It also provides race-day coverage for over 270,000 thoroughbred, harness and greyhound races per year, 24 hours a day, seven days a week.</p>
<p>Wagering Technology and Services</p>	<p>Racing and Sports is a specialist in the development of both hosted back-office and front-facing wagering technology solutions combined with fully integrated premium data. It has developed several solutions and services that it offers to the global wagering industry.</p> <p>Wagering operators use Racing and Sports' hosted back-office managed trading solutions for efficiencies, cost savings and reduction in trader headcount.</p> <p>Racing and Sports has developed its own sophisticated and fully integrated data-driven, managed trading system called Trading Manager, which serves to assist fixed-odds pricing, trading and risk management. Racing and Sports licenses Trading Manager to wagering operators in the UK and Australia.</p> <p>Furthermore, Racing and Sports' front-facing wagering solutions are designed to encourage participation and facilitate increased turnover for wagering operators. This includes hosted solutions, which are developed by Racing and Sports in-house and driven by Racing and Sports' comprehensive data and analytics. These solutions are provided to wagering operators as a hosted service.</p> <p>Racing and Sports provides essential Race-Day Control services to wagering operators. This includes managing important race triggers and critical information updates on behalf of wagering operators that occur throughout the course of a race meeting.</p>
<p>Specialist Data Services</p>	<p>Specialist Data Services include premium products and data services available to retail and private customers. These are sold through direct subscription and fee-for-use via the Racing and Sports' website.</p> <p>Racing and Sports also offers bespoke data services to customers, including breeders, trainers and private individuals looking to conduct their own research activities.</p>
<p>Digital and Media</p>	<p>Racing and Sports owns and operates the Racing and Sports digital publishing website racingandsports.com. The website attracted over two million unique visitors in the last 12 months to September 2021, from more than 200 countries. It is a valuable digital asset and provides Racing and Sports the ability to cross-promote racing products and services globally, as well as provide a trusted platform for the dissemination of global racing and sports content.</p> <p>Wagering operators and industry participants trust the Racing and Sports brand to supply high-quality media, digital, publishing and advertising services.</p>
<p>Consulting and Integrity Services</p>	<p>Integrity and reputation are paramount in a regulated environment. Racing and Sports provides professional consulting services and data-driven integrity solutions, using its comprehensive database of racing and wagering information.</p>

(b) Core product and service offerings

Racing and Sports' products and services are detailed in Table 3.2 below.

Table 3.2: Products and services overview

Segments	Products and services	Description	Racing bodies and authorities	Wagering operators	Media and digital	Retail and private clients
Wholesale Data, Content and Distribution: customers use Racing and Sports' fully integrated premium racing data and content in their own offering.	Premium data and statistics	Enhanced and enriched data, statistics, sectional times, positions in running, stewards' incidents and more, covering 30 countries.	●	●	●	●
	Enhanced written and automated editorial content	Premium predictive race views, content and comments automatically generated for each runner and race meeting, driven by proprietary analytics, AI techniques and predictive algorithms. Additional premium service delivering bespoke race views and runner comments, prepared by professional race analysts and supported by data-driven analytics and statistics.		●	●	
	Advanced analytics and infographics	Speed maps, race analysis cards, predictive ratings, silks, jockey/trainer statistics and other strike rates.	●	●	●	●
	Distribution services for data rights holders	Secure distribution of data and vision for over 30,000 races per annum to wagering operators.	●	●	●	
Wagering Technology and Services: Racing and Sports' wagering tools are designed to encourage participation, facilitate increased turnover, while realising efficiencies and cost savings.	Pricing Manager	Fixed-odds pricing feed and platform for operators to set and manage fixed-odds on global racing events.		●		
	Trading Manager	Managed trading solution for wagering operators, includes fixed-odds, tote betting, exotics and derivatives. Rules-based configuration with option of automated risk and liability management. Integrated stats and analytics to support rapid decision-making by traders.		●		
	360° White Label Wagering Platform	Fully featured and branded hosted wagering platform with integrated fields, form, stats, event summaries, comments, Racing and Sports advertising, as well as our complete pricing and trading solutions. Expected to be available to customers 2022.		●		
	ProBeta	Wagering tool that allows a regular punter to bet like a professional on exotic wagering bet types. It features advanced algorithms, seeking to maximise returns to the punter with lower outlays for a more efficient staking method. Expected to be available to customers 2022.		●		
	OddsGrid	Creates self-generating fixed-odds markets and liquidity for early wagering on events. Expected to be available to customers 2022.		●		
	BetBuilder	User-driven, data and analytics-based bet generator driven by user selected criteria.		●		
	InfoWidgets	Deployable JavaScript widgets that can be included on clients' websites to display premium visual content, data and analytics.		●	●	
	Race-Day Control	Managed service for wagering operators, controlling race-day event triggers and information updates to facilitate wagering activities.		●		

Segments	Products and services	Description	Racing bodies and authorities	Wagering operators	Media and digital	Retail and private clients
Specialist Data Services: fully integrated premium data, products and services to retail and private customers.	Premium data subscription services	Analytic products and statistics for retail and private customers.				●
	Bloodstock pedigree reports	Predictive analytics based on historical performance as a guide for yearling potential.				●
Digital and Media: content, media, journalism and digital services.	Racing and Sports website	Globally recognised brand and trusted industry source of news, statistics, data and multimedia content.		●	●	
	Digital betting shop displays	Interactive data-driven displays that can be deployed to retail outlets, pubs, clubs, casinos and on-course wagering facilities.		●	●	
	Digital publications	Digital newspaper with editorial and multimedia content for the racing industry. Sports and breeding editions launching in Q2 FY2022.	●	●	●	●
	Racing industry news service (Newswire)	B2B subscription-based racing news service. Written and compiled by our in-house journalists and distributed to mainstream media customers for publication to promote the racing industry.			●	
Consulting and Integrity Services: specific data and services for industry bodies and wagering operators.	Integrity services and analytics	Customisable service that provides analysis and assessment of key integrity factors using Racing and Sports' database and predictive analytics platform.	●	●		
	Integrity platform	Advanced data platform to analyse and detect anomalous behaviour in wagering activity and events.	●	●		
	Industry consulting services	Cyber security, integration and system design professional services.	●	●		

(c) Revenue model

Racing and Sports generates revenue through both recurring and transactional streams. Management’s recent focus has been on building its recurring revenue base of both SaaS subscriptions and contracts as a percentage of gross gaming revenue (GGR). Annualised monthly recurring revenue grew to \$6.6 million as at June 2021 from \$3.8 million in the prior corresponding period.

Table 3.3: Racing and Sports’ revenue streams

Recurring revenue streams	<ul style="list-style-type: none"> ● Wholesale Data, Content and Distribution: provision of fully integrated data and content to wagering operators, enhancement and distribution for racing authorities and data rights holders. ● Wagering Technology and Services: Subscription-based or percentage-of-GGR-based wagering solutions and services. ● Specialist Data Services: retail and private subscription-based premium products and data services. ● Digital and Media: publishing and advertising services. ● Consulting and Integrity Services: provision of data-driven integrity solutions.
Transactional revenue streams	<ul style="list-style-type: none"> ● Digital and Media: media, digital, publishing and advertising services. ● Specialist Data Services: fee-for-use access to digital content and products. ● Consulting and Integrity Services: professional consulting services.

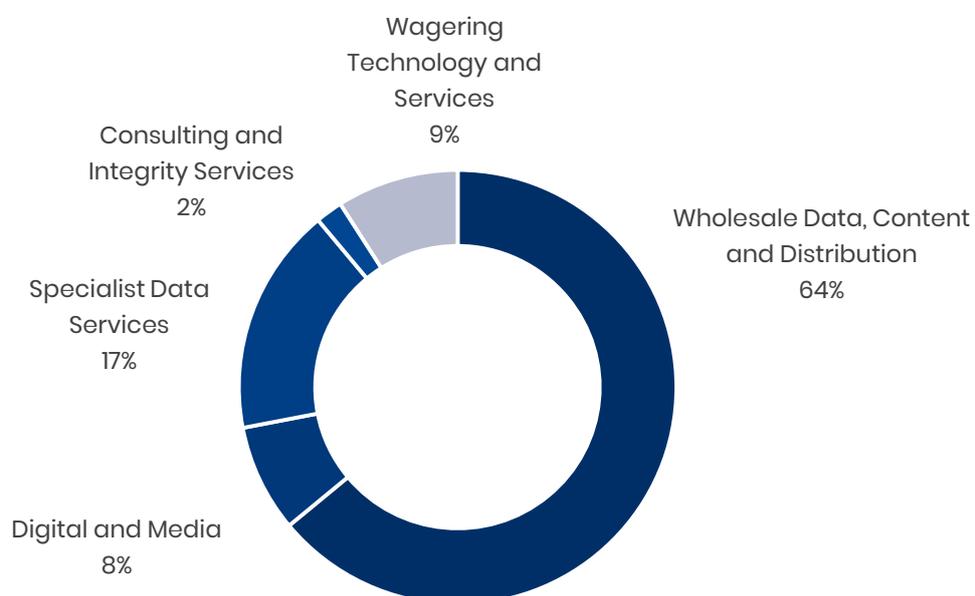
In FY2021, 94% of revenue was recurring, reflecting the nature of Racing and Sports’ multi-year contracts and repeat customers. The typical initial term of the multi-year contracts that Racing and Sports enter is three years, with options for extension.

Racing and Sports has historically generated a significant component of its revenue from Wholesale Data, Content and Distribution. Having invested approximately \$2.5 million in the development of intellectual property over the last three years, Racing and Sports is now well positioned to rapidly scale and expand its revenue base with a primary focus on continuing to drive growth in recurring revenue streams.

Management believes that Wholesale Data, Content and Distribution revenue will continue to underpin financial performance. However, considerable focus will be placed on the development of other business segments, in particular, Wagering Technology and Services, to facilitate increasing demand from wagering operators to reduce their cost base, increase operational efficiencies through automation, and drive participation through innovative content, products and services.

In February 2020, Racing and Sports launched its new sophisticated Trading Manager Solution, generating revenue of approximately \$0.5 million in FY2021. Racing and Sports is progressively transitioning Wagering Technology and Services customers and contracts to a blend of subscription-based and percentage-of-GGR based.

Figure 3.5: Revenue by product and service segment (FY2021)



(d) Product strengths

Racing and Sports’ product strengths include the following:

- **Comprehensive global database:** all products are driven by a comprehensive global racing database covering thoroughbred data from 1,800 racing centres across 30 countries as well as harness and greyhound data across eight and five countries, respectively.
- **Ease of implementation:** all products can be quickly deployed into customer environments without the need for complex integrations or significant IT resources and can be accessed through customisable APIs and data formats.
- **Built for scalability and security:** flexible, scalable and secure cloud-based solutions to meet customer demands and requirements.
- **Feature-rich user interfaces:** highly configurable and customisable wagering technologies that deliver a high-quality user experience.
- **Easily deployable into adjacent markets:** the existing infrastructure can be used to accommodate new datasets (from sports) for processing and product creation and can be easily deployed to both existing and new customers.

The differentiating features of Racing and Sports’ products have been demonstrated to deliver numerous benefits to its customers, including:

- **Revenue and margin enhancement:** existing and emerging wagering operators are seeking to drive revenues and operational efficiencies that can be facilitated through Racing and Sports’ proprietary wagering technology.
- **Enables digital transformation:** the international wagering market can be characterised by established wagering operators that need to modernise their capabilities and processes to remain competitive in the evolving global wagering landscape. This is generating demand for technology and data-led solutions, such as the products and services offered by Racing and Sports.
- **Responds to globalisation of organisations:** Racing and Sports enables racing bodies to drive revenue growth through the export of their racing product to international wagering operators and their customers. This is done using a combination of technology, data and digital/media solutions.
- **Product innovation:** Racing and Sports creates immersive, interactive, analytics-driven and geographic-specific data and enhanced content to create new revenue opportunities.
- **Productivity gains:** Racing and Sports’ products can facilitate improvements in organisational productivity, especially in the automation of data and content.

(e) Technology-enabled business model

Product development and innovation is an important driver of growth for Racing and Sports. As at August 2021, Racing and Sports had 16 staff in its technology development team and has plans to expand it.

The technology-enabled business model of Racing and Sports is made up of:

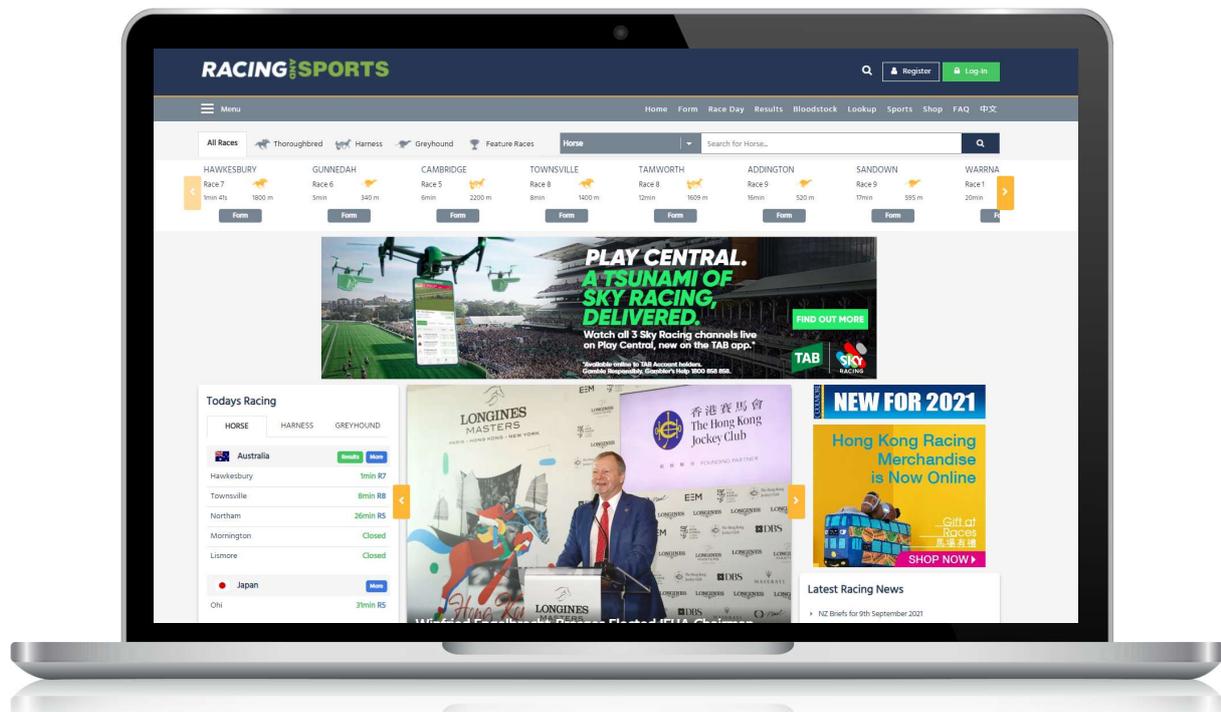
- (i) **Processing Framework Platform:** the Racing and Sports platform comprises the database, processing system and content to power Racing and Sports’ products and services. Cloud-based infrastructure allows for the platform to be easily updated and all changes provided seamlessly to each customer.
- (A) **Racing and Sports Database:** Racing and Sports normalises, curates and adds value to data sourced from authorised suppliers, racing authorities and data rights holders. This enhancement includes the enrichment of raw data to include detailed form, performance ratings, predictive race and runner comments and visualisations. Racing and Sports’ database comprises over 15 billion data points. This data includes results for major global racing centres, covering 30 countries for thoroughbred racing, eight jurisdictions for harness racing, and five jurisdictions for greyhound racing.

Figure 3.6: Racing and Sports’ Database footprint



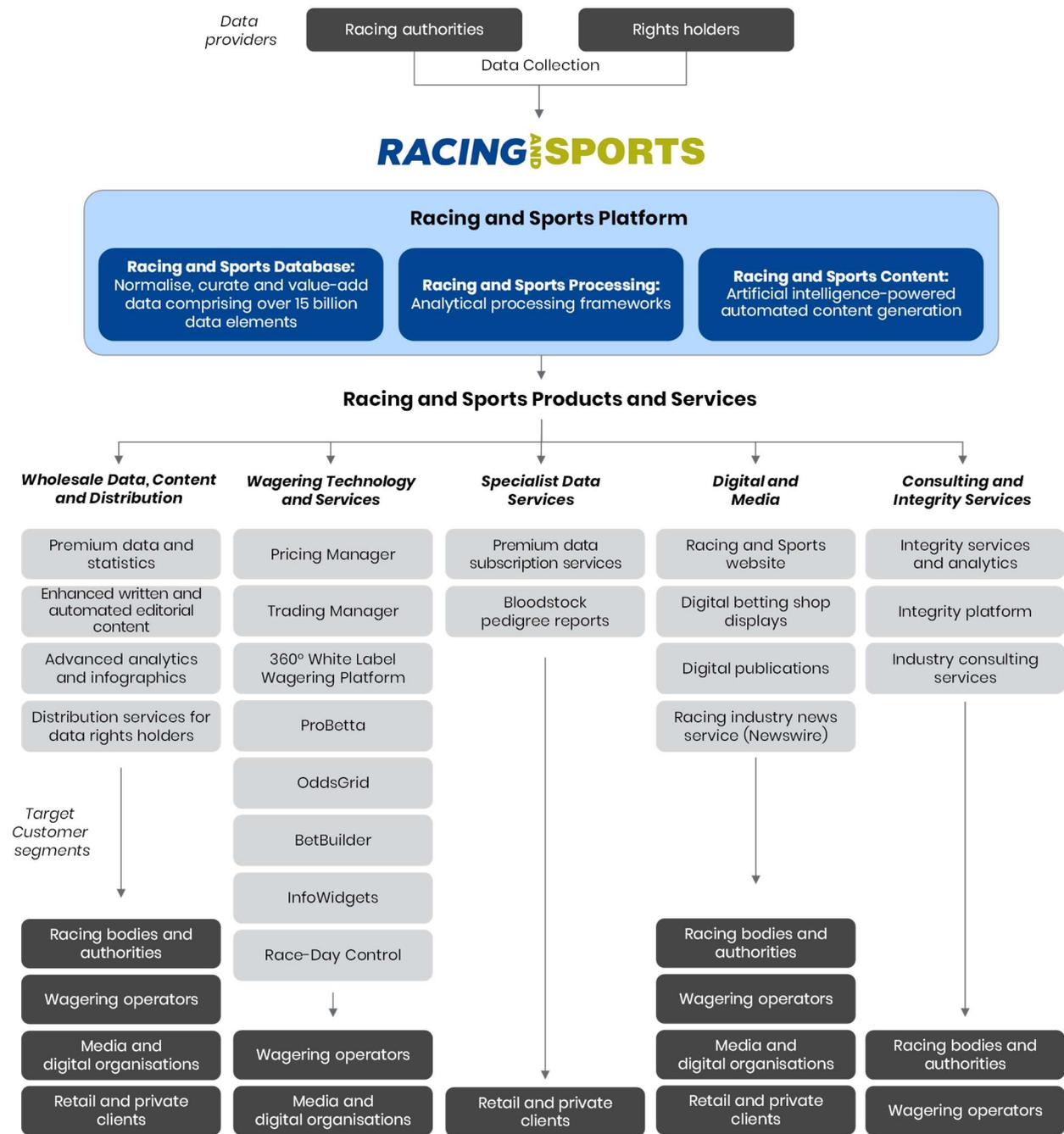
- (B) **Racing and Sports processing:** Racing and Sports has invested in IT infrastructure to provide a highly scalable, multi-site, fault-tolerant framework that supports the real-time processing, enhancement and production of data and content, products and services.
- (C) **Racing and Sports content:** by using AI, machine learning, automation and predictive modelling, enriched data and enhanced content is derived, which underpins a significant number of Racing and Sports' market-leading products and services.
- (ii) **Racing and Sports' product and services:** from the Racing and Sports' platform, Racing and Sports is able to develop numerous products and services across its five main product categories. Racing and Sports has newly developed SaaS and hosted solutions for wagering operators, such as ProBeta (available to customers 2022), OddsGrid (target launch 2022), InfoWidgets, BetBuilder, and the 360° White Label Wagering Platform (expected to be available to customers 2022). These services make use of Racing and Sports' data and digital ecosystem to provide Racing and Sports' customers with high-quality data and analytics, with the intention of increasing punter participation and wagering turnover.
- (iii) **Racing and Sports website:** The Racing and Sports website, racingandsports.com received over two million unique visitors and 40 million page views in the last 12 months to September 2021. Driven by Racing and Sports' database, the website is updated automatically and continuously to ensure the available data is both accurate, up to date and of high quality.

Figure 3.7: Racing and Sports website



Racing and Sports is focused on continuous product development and innovation to enhance its product functionality. As new products, features and software solution enhancements are released to customers, the end-user experience improves, which in turn helps drive new customer acquisition and increased participation and wagering turnover.

Figure 3.8: Technology-enabled business model overview



3.3 Customers

Customers primarily comprise of racing bodies and authorities, wagering operators and media organisations across Australia, US, UK, Europe and Asia. As at 30 June 2021, Racing and Sports serviced 44 customers, comprising 28 Commercial Customers and 16 Enterprise Customers. Racing and Sports also provides several associated products and services to retail and private clients.

Racing and Sports has many internationally recognised customers and brands across four key customer segments. The key customer segments, the products and services provided, and a list of key customers are shown in Table 3.4:

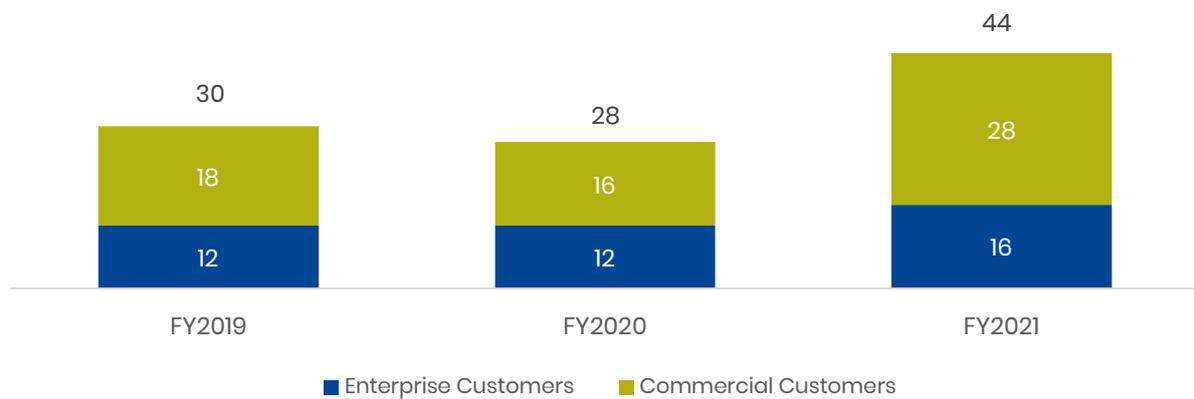
Table 3.4: Key customer segments

Segment	Products and services provided	Key customers
Racing bodies and authorities	<p>Racing and Sports works closely with racing bodies and authorities to manage the enhancement and distribution of fully integrated data and editorial content.</p> <p>Racing and Sports also works with racing authorities to provide media services and digital promotional campaigns to support the global racing industry.</p>	<p>Racing Australia, Racing Victoria, Korea Racing Authority, PMU, The Hong Kong Jockey Club, Australian Turf Club, and Singapore Pools</p>
Wagering operators and rights holders	<p>Racing and Sports delivers fully integrated premium data and enhanced content services to wagering operators globally. These include:</p> <ul style="list-style-type: none"> ● Premium data and statistics – enhanced and enriched data, statistics, sectional times, positions in running, stewards' incidents and more, available to 30 countries. ● Enhanced written and automated editorial content – premium race views and comments automatically generated for each runner and race meeting, driven by proprietary analytics, AI techniques and predictive algorithms. <p>Additional premium service delivering bespoke race views and runner comments, which are prepared by professional race analysts and supported by data-driven analytics and statistics.</p> <ul style="list-style-type: none"> ● Advanced analytics and infographics – speed maps, race analysis cards, predictive ratings, silks, jockey/trainer statistics and other strike rates. <p>Racing and Sports also provides wagering technology to wagering operators, including:</p> <ul style="list-style-type: none"> ● Sophisticated hosted back-office managed trading solution (Trading Manager), which includes the provision of fixed-odds, tote betting, exotics and derivatives. ● Pricing Manager is a hosted back-office fixed-odds pricing feed and management platform for operators to set and manage fixed-odds on global racing events. ● 360° Hosted Wagering Platform – full-feature and tailored hosted wagering platform with integrated data, content, advertising, pricing, and Trading Manager. Expected to be available to customers 2022. ● ProBetta – wagering tool that allows a regular punter to bet like a professional on exotic wagering options. Expected to be available to customers 2022. ● OddsGrid – creates self-generating fixed-odds markets and liquidity for early wagering on events. Expected to be available to customers 2022. ● BetBuilder – user-driven, analytics-based bet generator based on user selected form parameters. ● InfoWidgets – deployable JavaScript widgets included on clients' websites to display premium visual content, data and analytics. <p>Additional services include:</p> <ul style="list-style-type: none"> ● Race-Day Control – a managed service for wagering operators with Racing and Sports controlling essential event triggers and race-day information updates. ● Digital and Media – including the Racing and Sports' website, digital betting shop displays and racing industry newswire. ● Consulting and Integrity Services – including integrity services and analytics, integrity platform and industry consulting services. ● Distribution Services on behalf of rights holders – enhancement and secure distribution of data and vision. 	<p>Tabcorp, bet365, Flutter Group (Paddy Power, Betfair, Sportsbet), Entain Group (Neds, Ladbrokes), PMU, Singapore Pools, XB-Net, Palmerbet, BlueBet and BoomBet</p>

Segment	Products and services provided	Key customers
Media and digital organisations	Racing and Sports is an independent producer of racing media and editorial content, which is distributed to industry and mainstream media.	Sky Channel, Sky Racing World, Mediality, Timeform, Coolmore, Godolphin, Arrowfield and Magic Millions
Retail and private clients	Racing and Sports provides fully integrated data and technology services to racing industry participants and private wagering and retail clients.	Racing and Sports’ retail customers and private data subscribers

Racing and Sports’ Commercial Customer and Enterprise Customer base has grown from 28 in FY2020 to 44 in FY2021.

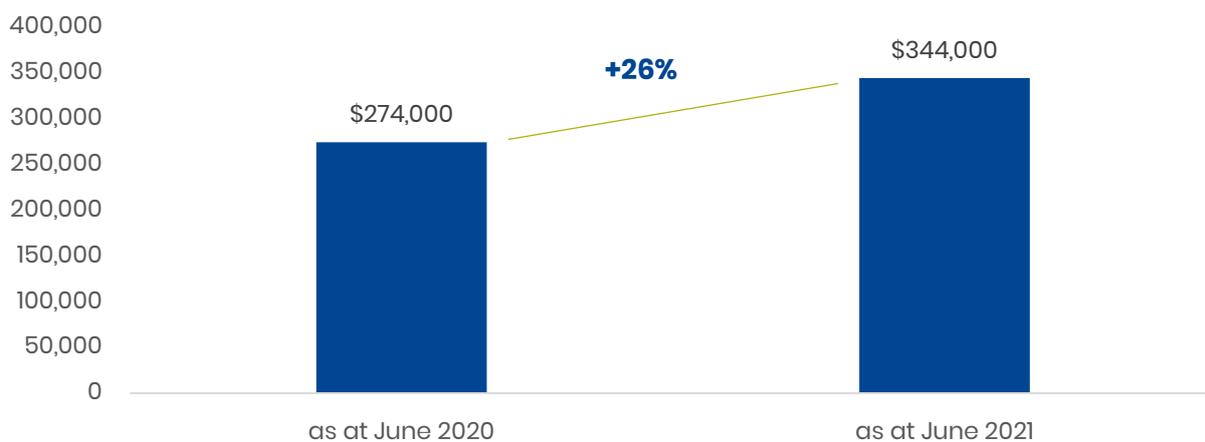
Figure 3.9: Customer growth



Key customer metrics

Average Annualised Revenue per Enterprise Customer (**AARPEC**) was approximately \$344,000 as at the month of June 2021 (up 26% as compared to month of June 2020 annualised). The increase in AARPEC resulted from the growth in services with existing Enterprise Customers and the acquisition of new global Enterprise Customers at higher AARPEC, including contracts for Wagering Technology and Services.

Figure 3.10: Average Annualised Revenue Per Enterprise Customer (AARPEC)



3.4 Growth strategies

(a) Overview

With the continued globalisation of the racing and wagering industries, Racing and Sports believes it has considerable opportunities for expansion and growth. To achieve this, the next phase of Racing and Sports' growth strategy is focused on extending its geographic and product reach.

This is supported by the continued growth into the first quarter of FY2022 where Racing and Sports has entered into additional recurring revenue contracts with Enterprise Customers for \$1.4 million of annual value (including those having commenced billing and those to commence billing shortly).

Table 35: Contracts with Enterprise Customers entered into during the first quarter of FY2022

Segment	Average Term	Contract basis	Annual Contract Value
Wholesale Data, Content and Distribution	1.5 years	Subscription	\$0.6m
Wagering Technology and Services	3 years	Subscription	\$0.8m
Total			\$1.4m

Table 36: Racing and Sports' growth strategy

	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.

(b) International expansion

Racing and Sports intends to expand its servicing of wagering operators, rights holders and media clients in the US, UK and Europe and is establishing sales and marketing teams and additional channels to support this expansion.

Racing and Sports will seek to continue developing premium products in regionally customised formats for local audiences and leverage strategic partnerships, particularly in the US as states legalise fixed-odds wagering.

Racing and Sports will look to continue to develop strategic alliances with significant media data rights holders in the US wagering market to fast-track its US expansion. Importantly, since April 2021, Racing and Sports has had a commercial relationship with a significant racing rights holder in the US, accounting for ~70% of all US racetracks. Racing and Sports intends to build on this relationship, and accordingly, plans to establish a presence in the US in 2022 to bring on a business development manager and focus on emerging opportunities in this jurisdiction for both the racing and sports industries.

In the UK and Europe, Racing and Sports will continue to leverage its key partnerships with Press Association (PA), which is a content distributor and data rights holder for racing in the UK and Europe, to provide content and wagering technology services.

This growth strategy is underpinned by securing experienced talent in the US, UK and Europe to provide additional capacity and support growth, establish key networks and foster relationships across the racing and sports value chain.

(c) Sports

Racing and Sports currently specialises in thoroughbred, greyhound and harness racing for its data. As Racing and Sports seeks to expand its footprint in the US, UK and Europe, Racing and Sports will look to acquire sports data for popular sports in those territories, for example, basketball, football and baseball in the US, and tennis, football, golf and cricket in the UK.

The Racing and Sports platform has been built to ingest and integrate new data from a range of sports to enable the creation of new wagering products for customers, to drive the rapid development of products and services for existing and new B2B and B2C markets across domestic and international markets.

(d) Expand wagering technology and services

Racing and Sports’ capability can be defined by the range of products and services offered. Racing and Sports’ recent product development has been focused on developing innovative software solutions for wagering operators. Racing and Sports has experienced early success with its Pricing Manager and Trading Manager products in Australia and the UK; however, it believes there are significant growth opportunities in both existing and new geographical markets as well as adjacent markets – such as Saudi Arabia, Bahrain and Mexico – with new and existing products able to be offered to these markets too. The software solutions are intended to be licensed to wagering operators via recurring subscription and revenue sharing (percentage-of-GGR) arrangements.

New products that Racing and Sports seeks to bring to market include:

Table 3.7: New SaaS product development

Product	Trading Manager	360° White Label Wagering Platform	ProBetta	OddsGrid
Description	Expansion of features and services to include sports trading and price management.	Full-featured and tailored hosted wagering platform with integrated form, statistics, event summaries, comments, Racing and Sports advertising as well as our Pricing Manager and Trading Manager solutions.	Wagering tool that allows a regular punter to bet like a professional on exotic wagering options. Its features include advanced algorithms, seeking to maximise potential returns to punters with lower outlays for more efficient staking.	Wagering technology that enables self-generating fixed-odds markets and liquidity for early wagering on events. Operates using similar logic to a betting exchange but using complex algorithms and data to predict and manage liquidity.
Advantage	Proprietary technology for global wagering operators.	Complete White Label Wagering Platform.	Powered by Racing and Sports’ proprietary data.	Powered by Racing and Sports’ proprietary data.
Revenue model	Recurring subscription or as percentage-of-GGR revenue model.	Recurring subscription or as percentage-of-GGR revenue model.	Percentage-of-GGR revenue model.	Percentage-of-GGR revenue model.
Target market	Wagering operators.	Wagering operators.	Wagering operators.	Wagering operators.
Target geographies	Australia, US and UK.	Australia, US and UK.	Australia, New Zealand, US, UK and France.	Australia, New Zealand, US, UK and France.
Anticipated to be available to customers	Available now.	Available 2022.	Available 2022.	Available 2022.

In addition to new product development, Racing and Sports will also look to expand the provision of its Raceday Control offerings to US and European wagering operators. As part of the service offering, Racing and Sports' skilled team manages important triggers and information updates on behalf of wagering operator customers on race-day. This includes jockey changes, horse scratchings, race closure, race results and more.

(e) B2C

Racing and Sports intends to continue development of its B2C offerings with global expansion, monetisation of its website and development of global mobile applications.

Racing and Sports hosts, owns and operates websites in Australia, Hong Kong and will soon launch in the UK. The Racing and Sports website also contains a translated Chinese version. The website provides news, editorial, community discussion, analytics, form, B2C shop and other online tools, such as Racing and Sports' 'Neurals', providing a digital platform that promoted the Racing and Sports brand to over two million unique users in the last 12 months to September 2021 and generates revenue through advertising and marketing campaigns.

Racing and Sports plans to expand and enhance its content, including video and interactive multimedia, to enrich the wagering experience for its customers and increase website traffic.

(f) Acquisitions

Racing and Sports intends to identify companies in targeted territories with a focus on racing, sports, data and technology to accelerate its growth through acquisition. Management considers companies in the following areas to be of strategic alignment:

- (i) data and analytical technologies;
- (ii) sports data and technology;
- (iii) racing and wagering technology; and
- (iv) digital and media.

Racing and Sports is continually seeking to identify companies of interest that are aligned with its growth strategy.

(g) Strategic Partnerships

Racing and Sports intends to explore strategic partnerships with entities that may assist in accelerating the global growth and expansion of the Company.

Ladbrokes Coral Group Limited (**Entain**), a subsidiary of Entain plc (LSE:ENT), one of the world's largest sports betting and gaming groups, has agreed to make an equity investment into the Company by subscribing for Shares under the Institutional Offer which will give Entain a Shareholding of 10.3% (on an undiluted basis) at Completion. Racing and Sports regards Entain's investment as an endorsement of Racing and Sports' product offering and strategy. As at the Prospectus Date, no strategic relationship has been agreed between Entain and Racing and Sports, and whether one develops in time will depend on determining ways to collaborate for the benefit of both companies.

(h) Roadmap

To support the Racing and Sports growth plan, the following milestones have been identified, as well as the continuation of a number of ongoing activities. The Company's expectation is that this next phase of growth will occur over the short to medium term. However, if the ability to recruit individuals with the requisite skills and experience is impacted as a result of the continuation or exacerbation of the COVID-19 pandemic, then it may take longer to implement these growth initiatives and achieve these milestones.

Table 3.8: Roadmap of events

Next Phase of Growth	Ongoing activities
<ul style="list-style-type: none"> • Sports: acquire and analyse sports data for the development and commercialisation of new offerings in Australia, US, UK and Europe. • Digital: development of immersive and data-rich applications for global audiences. • Hosted Wagering Platform: make available to customers the 360° White Label Wagering Platform. • Wagering Technology and Services: launch ProBeta and OddsGrid Wagering Products to customers. • Integrity Services and Solutions: launch of new integrity services and solutions for global racing and sporting industries. • US Corporate Office: establish office. 	<ul style="list-style-type: none"> • Opportunities: focus on core markets of Australia, US, UK and Europe, while entering emerging markets for growth. • Content Services: expansion and innovation of premium, enhanced content and analytics. • Management Team: continued growth of the Australian and international management and sales team. • Trading Manager: ongoing development of the Trading Manager’s feature-set, further enhancing the automated trading algorithms, rules and triggers. • Expand Raceday Control services to new domestic and international customers.

3.5 Key Strengths

Table 3.9: Key strengths

<p>Experienced founder-led management team</p>	<p>The management team of Racing and Sports has extensive industry experience, highly developed profiles and industry-wide networks built through both their roles at Racing and Sports and positions held on racing industry body committees and steering groups.</p> <p>Led by co-founders, Gary Crispe and Robert Vilkaitis, and Chief Executive Officer, Stephen Crispe, the management team has strong and ongoing relationships with key industry participants, including racing bodies, wagering operators and media organisations in Australia and overseas in key target markets.</p>
<p>Ability to scale its product and services to key territories</p>	<p>Domestically, Racing and Sports is positioned to continue targeting major wagering operators as well as provide existing customers with new and innovative products and services.</p> <p>Racing and Sports is well positioned to capitalise on growth opportunities in key markets: Australia, the US, UK and Europe.</p> <p>Racing and Sports has an established presence in the UK through its UK Commercial Director, Brent Dolan. Racing and Sports plans to grow in the UK by expanding business development and sales teams and targeting key UK-based prospective customers.</p> <p>As the US wagering industry grows due to deregulation in key states, Racing and Sports, plans to establish relationships with participants across the racing and sports value chain in a growing market where it sees significant opportunity.</p>
<p>Positioned as an essential service leading to extended customer tenure and no Enterprise Customer churn</p>	<p>Racing and Sports manages and provides a comprehensive suite of ‘race-day life cycle’ products from pre-race information to live race-day information, including everything from show prices, price updates and race-day triggers, through to full post-race results.</p> <p>Both wagering operators and racing bodies rely on the fully integrated data and services that Racing and Sports provides to power its own services. This makes Racing and Sports an integral service that has led to extended customer tenure. The majority of customers are on multi-year contracts with no Enterprise Customer churn experienced.</p>

Strong domestic presence and reputation	Racing and Sports has been a longstanding provider of racing services to some of the largest racing bodies, wagering operators and media organisations in Australia. Racing and Sports intends to leverage these relationships as the business grows, domestically by increasing service offerings, and internationally by developing key relationships across the racing and sports value chain.
Comprehensive global coverage	Racing and Sports has comprehensive global coverage for thoroughbred, harness and greyhound racing. Racing and Sports can provide fully integrated data on developed and emerging markets, such as Saudi Arabia, Bahrain and Mexico to provide wagering operators in Australia, Asia, the US, UK and Europe with a wider range of wagering markets.
Key partner arrangements	Racing and Sports has established a commercial relationship with the Press Association in the UK and also with a significant racing rights holder in the US. Racing and Sports believes the arrangements with these key partners provide additional opportunities for growth and scale across the US, UK, and Europe. In Asia, Racing and Sports has longstanding partnership agreements with the Hong Kong Jockey Club and the Singapore Pools (formerly with the Singapore Turf Club).

3.6 Further information

(a) Risk management

Racing and Sports has adopted a risk management framework encompassing strategic planning, operational oversight and assurance measures, the purpose of which is to ensure that:

- appropriate systems are in place to identify, to the extent reasonably practicable, all material risks that may impact on Racing and Sports' business;
- effective communication regarding risks and risk management is a key part of the operational culture of the business;
- the financial and non-financial impact of identified risks are understood, and that appropriate internal control systems are in place to limit the Company's exposure to such risks; and
- appropriate responsibilities are assigned to control the identified risks effectively, with prescribed reporting protocols.

Risk management procedures employed by Racing and Sports include:

- day-to-day monitoring of risks by the risk owners in each team, consistent with Racing and Sports' risk management framework;
- formal internal risk assessments on an annual basis as part of the annual business planning process, with reports from risk owners to senior management;
- regular external risk reviews carried out by independent experts as appropriate, along with regular penetration tests of the Racing and Sports' ecosystem;
- reporting to the Audit and Risk Committee to ensure ongoing compliance with risk management framework; and
- continuous logging, monitoring, automated alerting, reporting, and trend analysis to ensure optimal risk management.

The Board and senior management of Racing and Sports are responsible for monitoring and leading compliance with Racing and Sports' policies and procedures, risk management and incident response.

(b) IT infrastructure

Racing and Sports has implemented a highly scalable and fault-tolerant technology architecture that leverages both cloud-based and distributed on-premises infrastructure. This technology architecture enables Racing and Sports to receive, process and enhance significant volumes of data in parallel, using its distributed processing framework.

Racing and Sports believes in continuous development and refinement of its technology infrastructure to ensure reliability, maintain performance and provide scalability. Furthermore, it implements industry best-practice security controls at its network edge, as well as internally within its technology boundaries, to protect the highly sensitive data, analytics and technology assets.

As Racing and Sports provides mission critical and essential services to wagering operators globally, it implements redundant and diverse internet paths to ensure uptime is maintained.

(c) Regulatory obligations

Racing and Sports operates in the racing and wagering industries. While many of its target customers are wagering operators and racing bodies the operations of which are highly regulated, Racing and Sports is not subject to these regulatory frameworks.

However, as Racing and Sports is a fully integrated data and software solution service provider, it must operate within the general legal frameworks commonly applicable to data supply companies and software solution vendors, in particular, the laws governing intellectual property, data protection, privacy and proper business practices.

As an information-led business, Racing and Sports places great importance on ensuring the quality, confidentiality, integrity and availability of its data and data from other data suppliers. In seeking to comply with applicable data protection laws when processing personal data, Racing and Sports uses a variety of technical and organisational measures to help protect personal data from unauthorised access, use disclosure or modification. This includes having in place appropriate information security practices to protect its infrastructure and data from cyber-security threats. Racing and Sports routinely reviews its technical and organisational measures to ensure its data protection standards are maintained.

In Australia, where Racing and Sports primarily operates, Racing and Sports seeks to comply with its obligations under the *Privacy Act 1988* (Cth) (**Privacy Act**) and Australian Privacy Principles (**APPs**), as well as any contractual requirements of individual government agencies and non-government suppliers relating to privacy.

Racing and Sports operates a Subsidiary in the UK for sales in the UK and Europe. For the UK, Racing and Sports follows the UK Data Protection Act 2018.

RACING AND **SPORTS**

4. Financial Information



4. Financial Information

4.1 Introduction

In July 2021, Racing and Sports undertook a corporate restructure, which was not conditional on the Completion of the Offer. Under this corporate restructure, the shareholders in Racing and Sports exchanged their shares in Racing and Sports for shares in the Company in a ‘top-hat restructure’ (**Restructure**). Each shareholder’s proportionate interest in Racing and Sports was not altered as a result of the Restructure.

The effect of the Restructure was to interpose the Company as the new legal parent of the Group.

While the Company became the legal parent of Racing and Sports, this did not result in a business combination for accounting purposes. When preparing the Financial Information for the Company, the Restructure will be accounted for as a capital reorganisation by the Company. The financial statements of the Group will therefore present a continuation of the existing Racing and Sports entity. Assets and liabilities will be recorded at their existing values in the statement of financial position for the Company. Therefore, there is no stand-alone historical financial information for the Company, given it was only incorporated on 10 May 2021. As such, the Financial Information contained in this section for the Group is derived from the financial information for Racing and Sports.

Financial Information

The Financial Information contained in Section 4 includes historical financial information for the Company for the financial years ended 30 June 2019 (**FY2019**), 30 June 2020 (**FY2020**) and 30 June 2021 (**FY2021**).

Section 4 contains a summary of:

- (a) **Statutory Historical Financial Information** comprising:
- (i) Racing and Sports’ statutory historical consolidated income statements for FY2019, FY2020 and FY2021 (**Statutory Historical Income Statements**);
 - (ii) Racing and Sports’ statutory historical consolidated cash flow statements for FY2019, FY2020 and FY2021 (**Statutory Historical Cash Flows**); and
 - (iii) Racing and Sports’ statutory historical consolidated statement of financial position as at 30 June 2021 (**Statutory Historical Statement of Financial Position**), and
- (b) **Pro Forma Historical Financial Information** comprising the:
- (i) Company’s pro forma historical consolidated income statements for FY2019, FY2020 and FY2021 (**Pro Forma Historical Income Statements**);
 - (ii) Company’s pro forma historical consolidated cash flow statements for FY2019, FY2020 and FY2021 (**Pro Forma Historical Cash Flows**); and
 - (iii) Company’s pro forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Statement of Financial Position**).

The Statutory Historical Financial Information and Pro Forma Historical Financial Information are together referred to as the **Financial Information**.

The Company has a 30 June financial year end.

In addition, Section 4 summarises:

- the basis of preparation and presentation of the Financial Information (refer Section 4.2);
- information regarding certain non-International Financial Reporting Standards (**IFRS**) financial measures (refer Section 4.2(c));
- the key pro forma operating and financial metrics (refer Section 4.3(a));
- the pro forma adjustments to the Statutory Historical Financial Information (refer Sections 4.3, 4.4 and 4.5);

- information regarding liquidity and capital resources (refer Section 4.5(a));
- information regarding the Company’s contractual obligations, commitments and contingent liabilities (refer Section 4.5(b));
- management’s discussion and analysis of the Pro Forma Historical Financial Information (refer Section 4.6);
- a description of the Company’s critical accounting policies (refer Section 4.7); and
- the Company’s dividend policy (refer Section 4.8).

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in Section 4 and Appendix A are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars, except in the commentary where it is predominantly in millions of dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

(a) Overview and preparation and presentation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of the Company.

Given the fact that the Company is in a growth stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and the Company’s accounting policies. The Company’s significant accounting policies are described in Appendix A.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than it includes certain adjustments, which have been prepared in a manner consistent with AAS, that reflect (a) the exclusion of certain transactions that occurred in the relevant periods and (b) the impact of certain transactions as if they had occurred on or before 30 June 2021.

The Pro Forma Historical Financial Information does not reflect the actual financial position, financial performance or cash flows of the Company for the periods indicated. The Directors of the Company believe that it provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general-purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 4 describes certain non-IFRS financial measures that the Company uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by Moore Australia (VIC) Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3420 – Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document as stated in its Independent Limited Assurance Report set out in Section 8. Investors should note the scope and limitations of the Independent Limited Assurance Report.

(b) Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Financial Information for FY2019, FY2020 and FY2021 for Racing and Sports has been derived from the audited general-purpose financial statements of Racing and Sports for FY2019, FY2020 and FY2021.

In deriving the above amounts, certain reclassifications were made for the consistency of presentation. The audited general-purpose financial statements of the Company for FY2019, FY2020 and FY2021 were audited by Hardwicks, who issued unmodified audit opinions in respect of each of these financial statements.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of the Company and adjusted for the effects of the pro forma adjustments.

Table 4.3 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements.

Table 4.6 sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows. Pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Income Statements.

Table 4.8 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the issue of options upon or shortly after successful Listing of the Company, the proceeds from the issue of New Shares by the Company under the Offer and related transaction costs as if they had occurred as at 30 June 2021.

In preparing the Financial Information, the Company's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information for FY2021 has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern.

(c) Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of the Company, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred to in Section 4 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as 'non-IFRS financial measures'.

The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- (i) **Gross profit** is calculated as revenue less cost of revenue;
- (ii) **EBITDA** is earnings/(losses) before interest (net finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. The Company also calculates EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of the Company's operations;
- (iii) **EBIT** is earnings/(losses) before interest (net finance income) and taxation;
- (iv) **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses and movements in provisions), interest and tax and movements in working capital. The Company uses operating cash flow to indicate the level of operating cash flow generated from EBITDA;
- (v) **Free cash flow** is operating cash flow less capital expenditure cash flows;
- (vi) **NPAT** is Net Profit (or loss) after tax;
- (vii) **Working capital** includes trade and other receivables and other current assets less trade and other payables, other liabilities and provisions;
- (viii) **Other income** includes research and development tax incentives and COVID-19 government assistance;
- (ix) **Annualised Recurring Revenue (ARR)** is measured as the annualised monthly revenue of customers that are active at financial year end; and
- (x) **Average Annualised Revenue Per Enterprise Customer (AARPEC)** is measured as the annualised monthly revenue per active Enterprise Customer at financial year end.

Although the Directors believe that these measures provide useful information about the financial performance of the Company, they should be considered as supplements to the Statutory Historical Financial Information and the Pro Forma Historical Financial Information that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions and the way the Company calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

4.3 Pro Forma Historical Income Statements

Table 4.1 sets out a summary of the Pro Forma Historical Income Statements of the Company for FY2019, FY2020 and FY2021. The Pro Forma Historical Income Statements are reconciled to the respective Statutory Historical Income Statements in Section 4.3(b).

Table 4.1: Pro Forma Historical Income Statements

Pro Forma Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
Revenue		4,166	3,989	5,570
Cost of revenue		(29)	(65)	(96)
Gross Profit		4,137	3,924	5,474
Other income	1	300	575	644
Employee benefits expense		(2,872)	(2,806)	(2,356)
Operating expenses		(1,129)	(1,202)	(1,215)
Occupancy expenses		(71)	(83)	(100)
Ongoing listed costs	2	(561)	(561)	(561)
Other expenses		(536)	(476)	(452)
Total operating expenses		(5,169)	(5,128)	(4,684)
EBITDA		(732)	(629)	1,434
Depreciation and amortisation		(397)	(585)	(822)
EBIT		(1,129)	(1,214)	612
Finance costs		(32)	(20)	(48)
Profit before income tax		(1,161)	(1,234)	564
Income tax benefit/(expense)		271	278	(194)
NPAT		(890)	(956)	370

Notes:

1. Other income includes research and development tax incentives and COVID-19 government assistance.
2. Ongoing listed costs represent estimated incremental costs of being a listed public company and have been adjusted in the Pro Forma Historical Income Statements for the period prior to the IPO.

(a) Key operating and financial metrics

Table 4.2 sets out the Company's key pro forma historical operating and financial metrics for FY2019, FY2020 and FY2021.

Table 4.2: Pro forma key operating metrics

Pro Forma Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
Total revenue	4,166	3,989	5,570
Gross profit	4,137	3,924	5,474
Gross profit margin	99.3%	98.4%	98.3%
EBITDA	(732)	(629)	1,434
EBITDA margin	(17.6%)	(15.8%)	25.7%
Operating expenses (% revenue)	124.1%	128.5%	84.1%

(b) Pro forma adjustments to the Statutory Historical Income Statements

Table 4.3 sets out the pro forma adjustments that have been made to the Statutory Historical Income Statements.

Table 4.3: Pro forma adjustments to the Statutory Historical Income Statements

\$ thousands				
Period	Notes	FY2019	FY2020	FY2021
Statutory revenue		3,685	3,646	5,290
Singapore operations	2	481	342	280
Pro forma revenue		4,166	3,989	5,570
Statutory employee benefits expense		(1,131)	(1,159)	(969)
Management salaries	1	(1,539)	(1,489)	(1,332)
Singapore operations	2	(203)	(158)	(55)
Pro forma employee benefits expense		(2,872)	(2,806)	(2,356)
Statutory operating expenses		(1,077)	(1,178)	(1,310)
Offer costs	3	–	–	147
Singapore operations	2	(52)	(24)	(51)
Pro forma operating expenses		(1,129)	(1,202)	(1,215)
Statutory Ongoing listed costs		–	–	(24)
Cost of Listed Entity	4	(561)	(561)	(537)
Pro forma ongoing listed costs		(561)	(561)	(561)
Statutory Depreciation and amortisation		(373)	(504)	(676)
Singapore operations	2	(24)	(81)	(147)
Pro forma depreciation and amortisation		(397)	(585)	(822)
Statutory income tax benefit/(expense)		(306)	(328)	(679)
Tax impact of pro forma adjustments		577	606	485
Pro forma income tax benefit / (expense)		271	278	(194)
Statutory NPAT		429	408	1,581
Management salaries	1	(1,539)	(1,489)	(1,332)
Singapore operations	2	203	80	27
Offer costs	3	–	–	147
Ongoing listed costs	4	(561)	(561)	(537)
Tax impact of pro forma adjustments		577	606	485
Pro forma NPAT		(890)	(956)	370

Notes:

- Management salaries have been normalised within the Pro Forma Historical Income Statements in line with expected salaries post-IPO. The adjustment includes:
 - salaries for the recently appointed Chief Executive Officer and Chief Financial Officer roles;
 - adjustments to reflect post-IPO salaries for other members of the management team, including the introduction of Short-Term Incentive (STI) and Long-Term Incentive (LTI) schemes. The pro forma adjustment is made on the basis that 75% of maximum payable under both the STI and LTI schemes is paid to management.
 Further details on the executive remuneration are set out in Section 6 (Key People, Interests and Benefits).
- Trading performance of the operations in Singapore not included within the Statutory Historical Income Statements, but has been included in the Pro Forma Historical Income Statement on the basis that these operations were undertaken under a separate legal entity and will form part of the Company post-IPO.
- Offer costs are not included in the Pro Forma Historical Income Statements on the basis that they do not represent an ongoing operational cost of Racing and Sports and have been added back to the Statutory Historical Income Statements.
- Ongoing listed costs represent estimated incremental costs of being a listed public company and have been adjusted in the Pro Forma Historical Income Statements for the period prior to the IPO.

(c) Summary of Statutory Historical Income Statements

Table 4.4 sets out Racing and Sports' Statutory Historical Income Statements for FY2019, FY2020 and FY2021.

Table 4.4: Summary of Statutory Historical Income Statements

Statutory Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
Revenue		3,685	3,646	5,290
Cost of revenue		(29)	(65)	(96)
Gross Profit		3,655	3,581	5,194
Other income	1	300	575	644
Employee benefits expense	2	(1,131)	(1,159)	(969)
Operating expenses		(1,077)	(1,178)	(1,310)
Occupancy expenses		(71)	(83)	(100)
Ongoing listed costs		–	–	– (24)
Other expenses		(536)	(476)	(452)
Total operating expenses		(2,815)	(2,896)	(2,856)
EBITDA		1,141	1,260	2,983
Depreciation and amortisation		(373)	(504)	(676)
EBIT		767	756	2,307
Finance costs		(32)	(20)	(48)
Profit before income tax		735	736	2,259
Income tax benefit/(expense)		(306)	(328)	(679)
NPAT		429	408	1,581

Notes:

1. Other income includes research and development tax incentives and COVID-19 government assistance.
2. The reduction in employee benefits expense in FY2021 reflects the Company's significant focus on the development of its software and database, with development costs capitalised rather than expensed (refer Table 4.12 for further details on capitalised development costs).

4.4 Pro Forma Historical Cash Flows

Table 4.5 sets out the Company's Pro Forma Historical Cash Flows for FY2019, FY2020 and FY2021. The pro forma cash flow information has been constructed using the indirect method (i.e. reconciling EBITDA to operating cash flows).

Table 4.5: Summary of Pro Forma Historical Cash Flows

Pro Forma Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
EBITDA	1	(732)	(629)	1,434
Net interest, income tax and changes in working capital		307	465	448
Non-cash expenses recorded in EBITDA	2	344	344	344
Operating cash flow		(80)	180	2,226
Capital expenditure	3	(797)	(1,170)	(1,433)
Free cash flow		(877)	(990)	793
Financing activities		(66)	(120)	(203)
Net cash flow		(944)	(1,110)	590

Notes:

1. Taken from Table 4.1 which includes pro forma adjustments.
2. Non-cash expenses recorded in EBITDA relating to equity-based payments under the LTI scheme have been excluded from operating cash flows.
3. Includes capitalisation of Singapore development expenses (refer Table 4.6).

(a) Pro forma adjustments to the Statutory Historical Cash Flows

Table 4.6 sets out the pro forma adjustments that have been made to the Statutory Historical Cash Flows to reflect the post-tax cash impact of the pro forma earnings adjustments. These adjustments are summarised and explained in the table below.

Table 4.6: Pro forma adjustments to the Statutory Historical Cash Flows

\$ thousands				
Period	Notes	FY2019	FY2020	FY2021
Statutory net cash flow		(260)	(132)	1,100
Ongoing listed costs	1	(561)	(561)	(537)
Offer costs	2	–	–	147
Management salaries	3	(1,195)	(1,145)	(987)
Operating cash flow of Singapore operations	4	227	160	174
Capitalisation of Singapore intangible assets	4	(226)	(313)	(316)
Dividends paid	5	493	273	525
Tax impact of pro forma adjustments		577	606	485
Pro forma net cash flow		(944)	(1,110)	590

Notes:

- Ongoing listed costs represent estimated incremental costs of being a listed public company and have been adjusted in the Pro Forma Historical Cash Flows for the period prior to the IPO.
- Offer costs relate to professional fees incurred in relation to the IPO prior to 30 June 2021. They are not included in the pro forma cash flows on the basis that they do not represent an ongoing operational cost of Racing and Sports and have been added back to the Statutory Historical Cash Flows.
- Management salaries have been normalised within the Pro Forma Historical Cash Flows in line with expected salaries post-IPO, including:
 - salaries for the recently appointed Chief Executive Officer and Chief Financial Officer roles;
 - adjustments to reflect post-IPO salaries for other members of the management team, including the introduction of STI and LTI schemes. The pro forma adjustment is made on the basis that 75% of maximum remuneration payable under the STI scheme is paid to management. Equity-based payments will also be made under an LTI scheme, which will have no effect on the cash flow statement. Further details on the executive remuneration are set out in Section 6 (Key People, Interests and Benefits);
- Operating cash flows, and capital expenditure cash outflows of the operations in Singapore, have been included in the Pro Forma Historical Cash Flows on the basis that these operations will form part of the Company post-IPO.
- Dividends paid have been excluded from the pro forma cash flows on the basis that they do not represent an ongoing cash outflow of the Company (refer to Section 4.8 Dividend Policy) and have been added back to the Statutory Historical Cash Flows.

(b) Summary of Statutory Historical Cash Flows

Table 4.7 sets out Racing and Sports' Statutory Historical Cash Flows for FY2019, FY2020 and FY2021.

Table 4.7: Summary of Statutory Historical Cash Flows

Statutory Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
EBITDA		1,141	1,260	2,983
Net interest, income tax and changes in working capital		(270)	(140)	(37)
Operating cash flow		871	1,120	2,946
Capital expenditure	1	(57)	(858)	(1,118)
Free cash flow		299	262	1,828
Financing activities		(560)	(394)	(728)
Net cash flow		(260)	(132)	1,100

Note:

1. Capital expenditure includes purchase of tangible fixed assets and capitalisation of development expenses.

4.5 Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

Table 4.8 sets out the Statutory Historical Statement of Financial Position of Racing and Sports and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for the Company. These adjustments take into account the effect of the issue of the New Shares and options upon or shortly after successful Listing of the Company and the proceeds from the issue of New Shares by the Company under the Offer and related transaction costs if they had occurred as at 30 June 2021.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its financial position upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in Section 7.1(c).

Table 4.8: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2021

\$ thousands	Notes	Statutory Historical balance sheet 30-June-2021	Other Pro Forma adjustments	Impact of the Offer	Pro Forma Historical balance sheet 30-June-2021
Current assets					
Cash and cash equivalents	1	2,049	–	11,129	13,178
Trade and other receivables		1,459	–	–	1,459
Other assets		36	–	–	36
Total current assets		3,544	–	11,129	14,673
Non-current assets					
Plant and equipment		249	–	–	249
Deferred tax assets	2	201	–	556	757
Intangibles		2,088	–	–	2,088
Right-of-use assets		459	–	–	459
Total non-current assets		2,998	–	556	3,553
Total assets		6,542	–	11,685	18,226
Current liabilities					
Trade and other payables		(1,709)	–	–	(1,709)
Borrowings		(21)	–	–	(21)
Current tax liabilities		(1,073)	–	–	(1,073)
Contract liabilities		(210)	–	–	(210)
Employee benefits		(276)	–	–	(276)
Lease liabilities		(99)	–	–	(99)
Total current liabilities		(3,389)	–	–	(3,389)
Non-current liabilities					
Borrowings		(142)	–	–	(142)
Deferred tax liabilities		(46)	–	–	(46)
Contract liabilities		(48)	–	–	(48)
Employee benefits		(3)	–	–	(3)
Lease liabilities		(368)	–	–	(368)
Total non-current liabilities		(606)	–	–	(606)
Total liabilities		(3,996)	–	–	(3,996)
Net assets		2,546	–	11,685	14,231
Equity					
Issued capital	1,2,3	51	–	13,222	13,273
Reserves	3,4	–	425	95	520
Retained earnings	2,4	2,495	(425)	(1,633)	437
Total equity		2,546	–	11,685	14,231

Notes:

- Cash and cash equivalents are expected to increase by \$111 million as a result of proceeds from the issue of New Shares, offset by the cash costs of the Offer (\$2.9 million).
- Costs of the Offer have been recognised as follows:
 - costs that are directly related to raising new equity of \$0.8 million have been capitalised against issued capital, net of the related the deferred tax asset (calculated as costs that will give rise to a tax deduction multiplied by the expected company tax rate of 25%) of \$0.2 million;
 - costs not directly related to the raising of new equity of \$1.6 million have been recorded as an expense, net of the related the deferred tax asset (calculated as costs that will give rise to a tax deduction multiplied by the expected company tax rate of 25%) of \$0.3 million; and
 - in respect of the total deferred tax asset recognised of \$0.6 million, the Company believes future taxable profit will be available against which the deferred tax credits can be utilised.
- Lead Manager Options with a fair value of \$0.1 million are being issued subject to the successful Listing of the Company on ASX and result in the recognition of a reserve in equity and a decrease in issued capital of \$0.1 million. The options have been valued using a trinomial options valuation model in accordance with AASB2 Share Based Payment.
- Other pro forma adjustments recognised relate to the issue of management options at a total fair value of \$0.4 million. The options have been valued using a trinomial options valuation model in accordance with AASB2 Share Based Payment. Further details on the Options are set out in Section 6 (Key People, Interests and Benefits).

(a) Liquidity and capital resources

Following Completion of the Offer, the Company will have, on a pro forma basis, cash of \$13.2 million as at 30 June 2021, arising from the net proceeds from issue of New Shares under the Offer, and existing cash reserves.

The Company expects that it will have sufficient cash to meet its short- and medium-term operational requirements and other business needs.

As at 30 June 2021, the Company's borrowings comprised a chattel mortgage of \$0.2 million.

At the date of this Prospectus, Racing and Sports is party to a facility arrangement with Australian and New Zealand Banking Group Limited (**ANZ**), comprising certain facilities and with an aggregate facility limit of \$0.6 million (**Facility**). Funding provided under the Facility will be used to, among other things, assist with head office improvements and support a rental bond under Racing and Sports' new office lease.

The Facility is guaranteed by the Company and ANZ has general security over all assets of the Company and Racing and Sports.

The Facility comprises a:

- (i) loan facility of \$0.4 million, with interest calculated at the bank bill swap bid rate (**BBSY**) plus a margin;
- (ii) standby letter of credit of \$0.1 million; and
- (iii) commercial credit card facility of \$0.1 million.

The Facility contains certain representations, undertakings, events of default and review events, which are usual for facilities of this nature.

(b) Contractual obligations, commitments and contingent liabilities

The Company has no material contractual commitments or contingent liabilities as at the Prospectus Date.

4.6 Management discussion and analysis of the Pro Forma Historical Financial Information

This section includes a discussion of key factors that affected the Company's operating and financial performance during the period of the Historical Financial Information.

The discussion in this section focuses on the Pro Forma Historical Financial Information. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected the Company's historical operating and financial performance, or everything that may affect the Company's operations and financial performance in the future. The information in this section should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

(a) Revenue

Racing and Sports generates its revenue from the sale of products and services to customers that include wagering operators, racing bodies and authorities, media and digital organisations and retail and private clients.

Revenue is comprised of five key product and service segments

- Wholesale Data, Content and Distribution
- Specialist Data Services
- Digital and Media
- Consulting and Integrity Services
- Wagering Technology and Services

Table 4.9 below sets out the Company's revenue composition for FY2019, FY2020 and FY2021.

Table 4.9 Revenue by product and service segment

Pro Forma Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
Wholesale Data, Content and Distribution	3,093	2,914	3,573
Specialist Data Services	706	744	934
Digital and Media	357	301	435
Consulting and Integrity Services	10	29	110
Wagering Technology and Services	–	–	518
Pro forma revenue	4,166	3,988	5,570

Revenue in the final quarter of FY2020 was affected by COVID-19 (down 20% compared to the prior corresponding period) as the racing and wagering industries were affected by race meeting closures.

Early FY2021 saw an improvement in activity as the global racing industry recovered from the impact of COVID-19, with FY2021 revenue subsequently increasing by \$1.6 million (40%) compared to FY2020. Revenue growth was driven through a combination of improved market conditions, winning market share across existing segments (Wholesale Data, Content and Distribution, Specialist Data Services and Digital and Media), and leveraging the Company's significant investment in its technology and platforms to drive growth in new product and service offerings (Wagering Technology and Services and Consulting and Integrity Services).

Wagering Technology and Services revenue in FY2021 reflects the commencement of sales from the launch of the Company's Pricing Manager and Trading Manager products to wagering operators.

Revenue, along with the following key customer metrics set out in Table 4.10, are closely monitored by the Company in managing and monitoring performance.

Table 4.10: Key customer metrics

Pro Forma Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
ARR	4,117	3,777	6,631
AARPEC	280	274	344
Enterprise Customers	12	12	16
Total recurring customers	30	28	44

Note:

1. Refer to Section 4.2(c) for definitions of ARR and AARPEC.

ARR increased by 76% in FY2021 compared to FY2020, as a result of an increase in AARPEC of 26% and an increase in Enterprise Customer numbers. Management attributes these increases to the following:

- The growth in Enterprise Customers that has resulted from Racing and Sports' growing market reputation and longstanding relationships in the Australian market, as well as the execution of business development strategies in the UK. The emphasis on reputation and quality by the Company's Enterprise Customers is fundamental to its global business development and partner distribution strategy.
- The increase in AARPEC that has resulted from the expansion of existing services with existing Enterprise Customers and the acquisition of new global Enterprise Customers with higher spend, including contracts for the Company's automated Pricing Manager and Trading Manager.

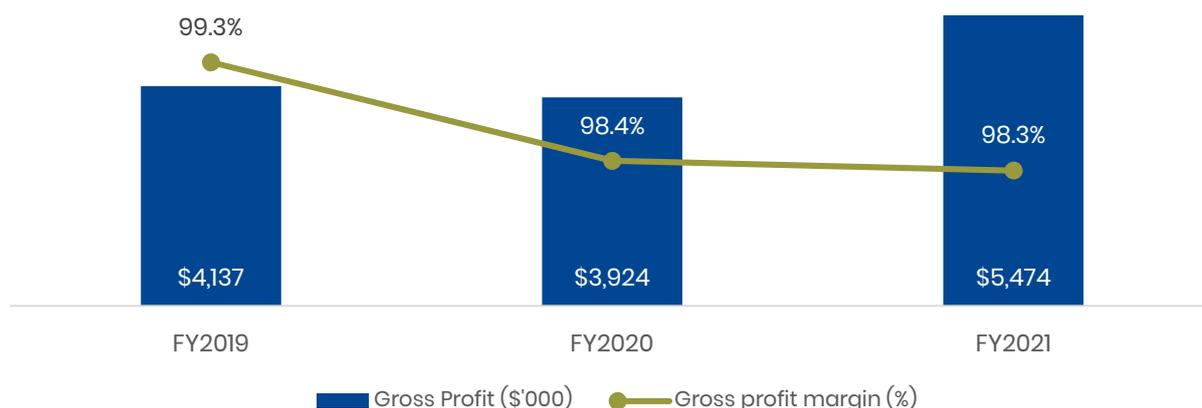
(b) Cost of sales and gross margins

Cost of Sales is defined as the cost of computing power and direct wages for race-day operations. Cost of Sales do not include the direct costs associated with the continued development of the Wholesale Data, Content and Distribution products as these expenses are capitalised as development costs with the resulting intangible asset being amortised over 4.74 years, which is based on the assessment of the useful life of the Company’s data.

Computing power costs have increased as a result of increased data processing following the broadening of the Company’s product set and larger customer base, while direct wages have remained relatively steady as the Company has improved and enhanced the level of automation within its operations.

Figure 4.1 below provides a breakdown of Pro Forma Historical gross profit and gross profit margins.

Figure 4.1: Pro Forma Historical Gross Profit and Gross Profit margin



(c) Other income

Other income is primarily comprised of research and development tax incentives and COVID-19 government rebates.

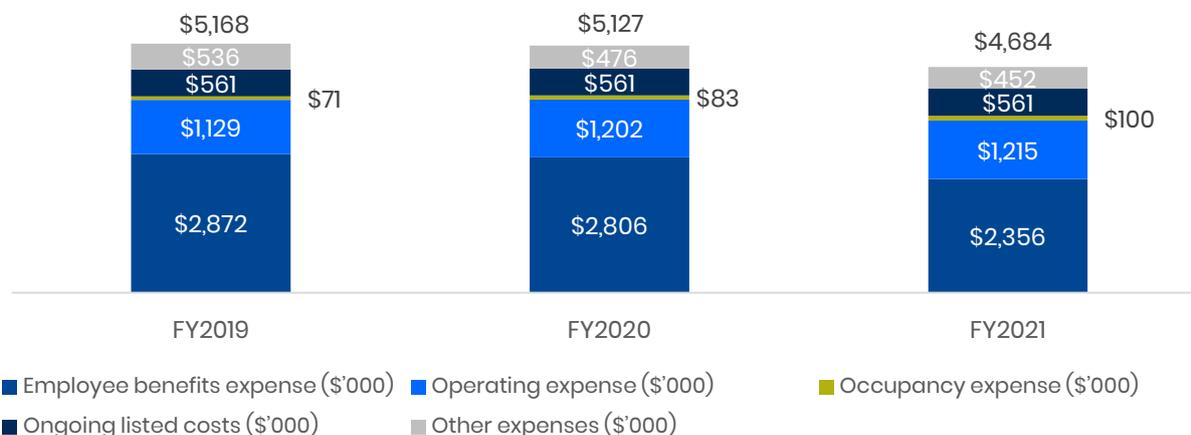
Racing and Sports’ research and development income results from the Company’s focus on developing its intellectual property, in particular the continued development of the Company’s Wholesale Data, Content and Distribution and Wagering Technology platforms.

With respect to COVID-19 government rebates, Racing and Sports received JobKeeper and CashFlow Boost payments totalling \$0.3 million over the course of FY2020 and FY2021.

(d) Total operating expenses

Figure 4.2 below sets out a breakdown of total operating expenses during FY2019, FY2020 and FY2021.

Figure 4.2: Total operating expenses

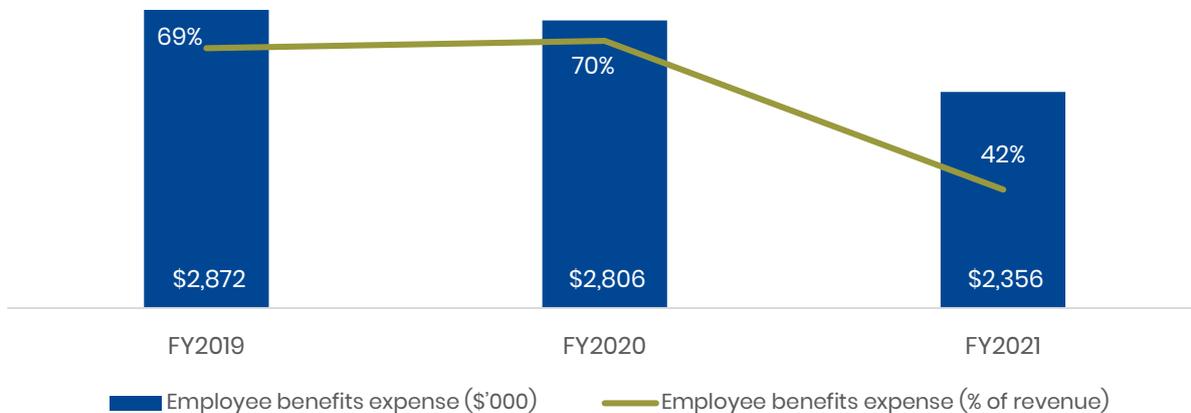


Each of the above cost categories is discussed further below.

Employee benefits expense

Figure 4.3 below sets out a summary of total employee benefits expense and the percentage of revenue they represent.

Figure 4.3: Employee benefits expense



Employee benefits expense include all wages and salaries and related ongoing costs, which are not associated with development expenditure that has been capitalised in the Company’s statement of financial position.

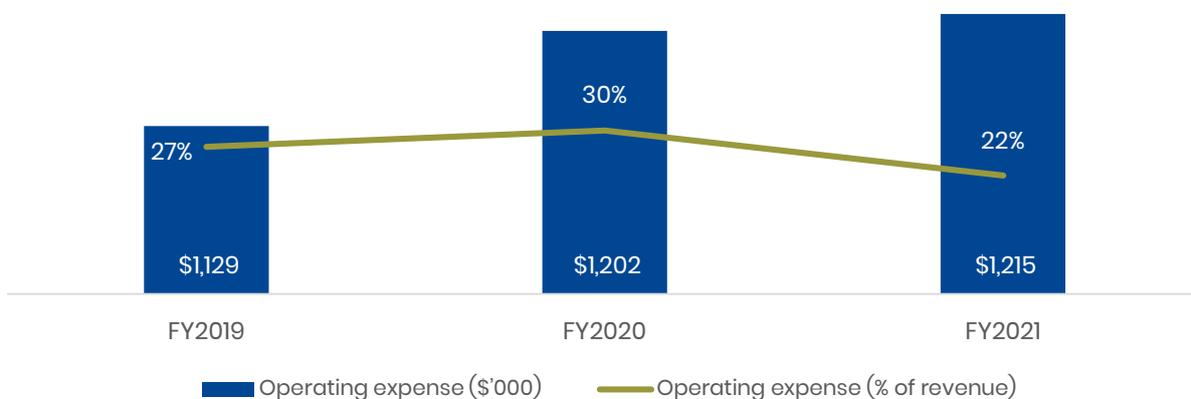
The reduction in employee benefits expense in FY2021 reflects the Company’s significant focus on the development of its software and database with \$0.5 million of employee benefits expense being capitalised in the Company’s statement of financial position as compared to \$0.2 million in FY2020.

The Company’s ability to leverage its employee base is reflected in the FY2021 results, with an increase in revenue of \$1.6 million and a reduction in employee benefits expense being expensed through the Pro Forma Historical Income Statement to \$2.3 million, resulting in a reduction of employee benefits expense as a percentage of revenue from 70% in FY2020 to 42% in FY2021.

Operating expenses

Figure 4.4 below sets out a summary of operating expenses and the percentage of revenue they represent.

Figure 4.4: Operating expenses

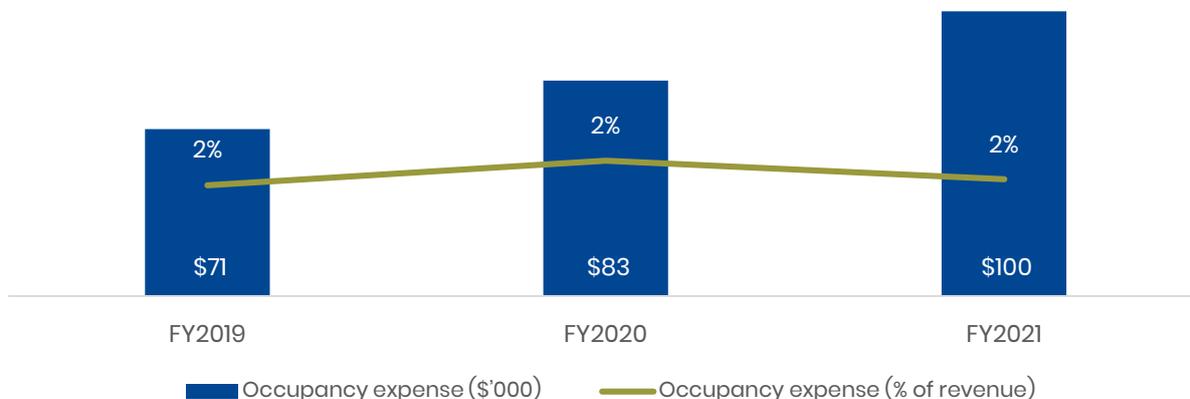


Operating expenses include the costs associated with offshore operations, contracted professional services and corporate IT engaged to support the operations of Company. Despite the growth in revenue in FY2021, operating expenses remained relatively flat from FY2020 through to FY2021, resulting in a decrease in operating expenses expressed as a percentage of revenue from 30% in FY2020 to 22% in FY2021.

Occupancy expenses

Figure 4.5 below sets out a summary of total occupancy expenses and the percentage of revenue they represent.

Figure 4.5: Occupancy expenses

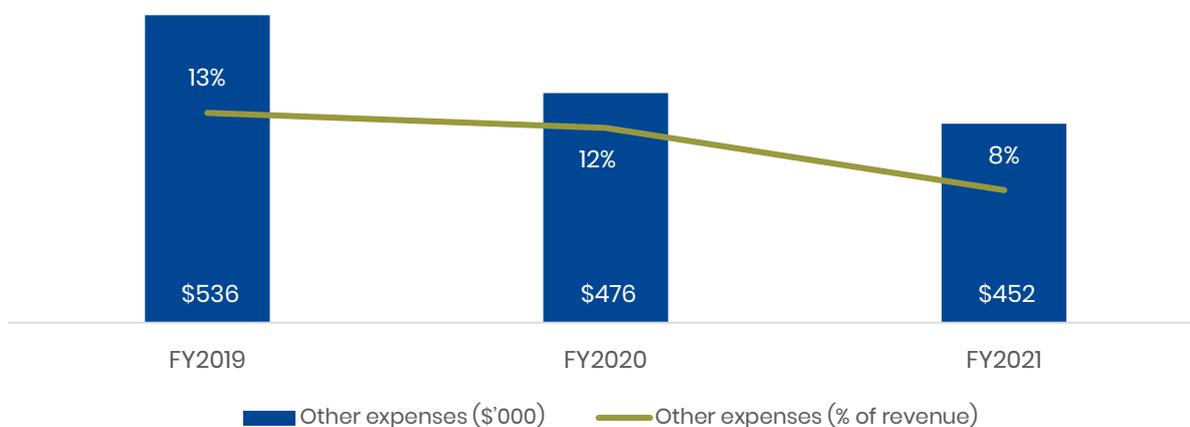


The increase in occupancy expenses in FY2020 through to FY2021 was driven by the additional office space required for Racing and Sports' expanding workforce in Canberra, including increased operational headcount and administrative functions to support the Company's growth.

Other expenses

Figure 4.6 below sets out a summary of other expenses and the percentage of revenue they represent.

Figure 4.6: Other expenses



Other expenses are comprised primarily of travel costs, advertising and promotions as well as general office and administration.

Other expenses reduced in FY2020 primarily as a result of reduced travel costs, with FY2021 seeing very limited travel to due global pandemic. That expense reduction in FY2021 was partially offset due to the expanded Company operations and implementation of COVID-19 ready capabilities.

The Company actively manages the cost base in response to prevailing market and operating conditions.

Ongoing listed costs

Ongoing listed costs represent estimated incremental costs of being a publicly listed company and have been adjusted in the Pro Forma Historical Income Statements and Cash Flows.

(e) Depreciation and amortisation

Table 4.11 below sets out a summary of depreciation and amortisation.

Table 4.11: Depreciation and amortisation

Pro Forma Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
Amortisation of capitalised development expenditure	233	394	618
Depreciation of plant and equipment	49	66	67
Depreciation of right-of-use assets	115	124	137
Total depreciation and amortisation	397	585	822

The increase in amortisation of capitalised development expenditures is reflective of the Company's significant focus on the development of its software and database as discussed below.

(f) Intangible assets and capitalised expenditure

Table 4.12 below sets out capitalised development expenditure.

Table 4.12: Capitalised development expenditure

Pro Forma Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
Capitalised development expenditure	1,069	857	1,406
Total capitalised development expenditure	1,069	857	1,406

The Company's accelerated capitalised development expenditure in FY2020 and FY2021 reflects the Company's significant focus on the development of its software and database with continued enhancement of the Company's premium data and content, as well as expanded innovation of the Company's wagering platform and associated applications.

(g) Operating cash flows

Table 4.13 below sets out operating cash flows.

Table 4.13: Operating cash flows

Pro Forma Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
Operating cash flow	(80)	180	2,226
Net cash flow	(944)	(1,110)	590

Net cash flow measures the cash flow available to Racing and Sports after accounting for all inflows and outflows. For details of pro forma net cash flows refer to Table 4.5 in Section 4.4.

Operating cash flow has improved as a result of the improved underlying financial performance of the Company in FY2021 and the increased capitalisation of development expenditure discussed in Section 4.6(f).

4.7 Critical accounting policies

Preparing financial statements in accordance with AAS requires management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements the Company has made in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of impairment of intangibles, fair value of financial instruments, receivables and capitalised development costs and related amortisation, as described in the significant accounting policies outlined in Appendix A.

4.8 Dividend policy

The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors (many of which may be outside the control of the Company and its Directors and management, and are not reliably predictable), including the general business environment, operating results, cash flows and financial condition of Racing and Sports, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

While it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends, at the Prospectus Date, the Company does not intend, nor expect, to declare nor pay any dividends in the foreseeable future following Completion of the Offer. This approach is consistent with Racing and Sports' focus on long-term growth and the Directors' intention is to reinvest future cash flows to further grow the business.

RACING^{AND}SPORTS

5. Risks



5. Risks

5.1 General

There are a number of risks, both specific to the Group and of a general nature, which may, either individually or collectively, adversely affect in a material way the future business, operations and financial performance of the Group and the value of the Shares. While the Group seeks to manage risks to prevent adverse outcomes, many of these risks are outside the control of the Group, the Directors and management.

This Section 5 describes some of the key risks associated with an investment in the Shares. These risks have been separated into:

- risks associated with the Group's business and the industry in which it operates; and
- risks associated with an investment in Shares in the Company.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of Directors as at the Prospectus Date. There is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

Prospective investors should note that this is not an exhaustive list of the risks associated with an investment in the Company. Section 5 should also be read in conjunction with other information disclosed in this Prospectus. Investors should have regard to their own investment objectives, financial situation or particular needs and should consider seeking professional guidance from their stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest.

5.2 Risks specific to an investment in the Company

(a) Key personnel risk

The expertise and performance of key personnel and high-performing employees are critical to the success of the Group, particularly in the areas of business development, race analysis and the development technology platforms and applications. The Group relies heavily on the specialist skills of its key personnel, which include a deep understanding of horse form and race analysis and intimate knowledge of the horseracing industry, both within Australia and globally. Key staff members have developed longstanding relationships with important participants in the racing industry domestically and globally, which are also critical to the Group's business development success, while key management personnel are responsible for overseeing the day-to-day operations and management of the Group.

There is a risk of over-reliance on one or more key staff members, including Racing and Sports' founders and its CEO. The loss of one or more key staff members would represent a significant loss of corporate knowledge, potential loss of critical relationships within the industry and loss of essential specialist skills. Any such loss could delay or prevent the Group from achieving significant strategic milestones and could disrupt business operations.

There is also a shortage of individuals in the market with skills in the areas of racing analysis and IT development, which the Group requires in order to achieve its strategic objectives in the areas of business development, product development and delivery. An inability to either replace a key staff member within a reasonable time period or find the skills and talent required by the Group to achieve its targets is a significant risk and could have a material adverse effect on the Group's business, operations and growth.

(b) COVID-19 pandemic

While the COVID-19 pandemic has not, as at the Prospectus Date, materially affected the Group's business, there is no guarantee that this will continue to be the case. There is continued uncertainty about the ongoing impact of the COVID-19 pandemic, including in relation to the opening of international borders, duration and severity of government restrictions, and the depth of negative and positive effects of the pandemic on the domestic and global economy as well as in the horseracing and sports industries.

(c) Technology risks**(i) Computer systems and hardware risks**

Out of necessity, the Group places and will continue to place, significant reliance on its computer systems and related infrastructure for its operations, both domestically and globally. The Group relies heavily on computer systems, internet providers and networks to communicate with and manage its existing overseas teams. Such teams are currently based in Sri Lanka and the UK, with the Group seeking to expand into other parts of Europe, and the US. While the Group takes steps to ensure that it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its operations can be affected by the performance of third parties, the quality and availability of necessary equipment, market constraints, cost overruns and unforeseen events.

Computer viruses, fire, extreme weather, other natural disasters, break-ins, failure of power supply, information systems, hardware, software or telecommunications systems and any other catastrophic events, could expose the Group to interruptions of varying length, delays or cessation in service to the Group's clients. If any of these events were to occur, the Group may be unable to operate its business or carry out its contractual obligations, potentially resulting in significant harm to the Group's reputation and diminishing, or eliminating entirely, its ability to generate revenue for a period of time.

(ii) Disruption risks

As the operator of a proprietary website, various aspects of the Group's operations depend on the performance, reliability and availability of its technology, website, communication systems, servers and internet service providers in order to deliver its services. Many potential operational issues are outside the Group's control. There is a risk that these technologies and systems may be adversely affected by a number of factors, including service outages, inability to handle unanticipated levels of demand during peak times or events, computer viruses, misuse by employees or contractors, or external or malicious interventions, such as hacking. Any disruption or failure of the Group's technology or systems may adversely affect the Group's operations, achievement of objectives and ultimately, its financial position.

(iii) Data protection and cyber-security risks

The Group operates much of its business and stores a significant amount of proprietary information on information technology systems, (including third-party systems). Cyber attacks or malicious hacking activity that penetrates the Group's information technology environment or any third-party system on which the Group relies could lead to operational disruption or data theft, including commercially sensitive information, which could have a material adverse effect on the Group's operations, reputation and achievement of objectives.

(d) Privacy breaches

As a consequence of the nature of the Group's business, the Group collects, stores, uses and discloses the personal information of numerous individuals. Accordingly, the Group is required to comply with the provisions of the Privacy Act and the APPs in relation to personal information.

Data protection systems play an important part in the Group's compliance with the Privacy Act and the APPs, and its ongoing business. The Group is reliant on technology providers and partners not only to provide certain technology and service platforms but also to provide data protection systems.

Cyber-security incidents may compromise or breach technology and service platforms used by the Group as part of its ongoing business. While the Group has in place data protection systems, it is possible that these may not be sufficient to detect or prevent unauthorised access to, or disclosure of, personal or confidential information about the Group, its customers, employees or third parties. Any compromise or breach involving personal or confidential information, whether accidental or intentional, may result in loss of data integrity as well as subject the Group to reputational damage, claims from those affected, legal action, loss of customers, increased regulatory scrutiny or regulatory action.

(e) Development risks**(i) Development and innovation risks**

The Group's business is primarily based on software, source code, technology and computer systems, which comprise its database, analytical algorithms and technology products and services. There is a risk that this technology may be superseded or displaced in the market by new technology offerings that B2B and B2C customers perceive as having advantages over the Group's offerings.

Additionally, the Group's future success depends on its ability to enhance existing technology products and develop new products that perform well and are attractive to the market. Failure to innovate or anticipate market demands may result in the Group ceasing to maintain a competitive position in a rapidly changing market. Development of new software is expensive, time consuming and requires a long return on investment cycles. Development that is not offset with revenue increases may adversely affect the Group's financial position.

(ii) Sales and timing risk

Horsereading and sporting products and services often have long lead times for conceptualisation, development, testing and integration. These long lead times may mean that a project is in development for many months before it is delivered and generating revenue for the Group. There is a risk that the Group could spend significant time and resources on projects that take long periods to return any investment, or that projects are ended before they reach a return on investment due to external factors. Both of these outcomes have the potential to negatively affect financial performance of the Group and value of an investment in the Company.

(f) Product risks

Despite extensive testing there is a risk that the products developed by the Group, either for B2B or B2C customers, will contain defects in either design, operation or functionality that could result in the product either failing to perform as required or promised, or the product causing harm or loss to the customer in some way. Should this occur, the risks to the Group would include a loss of market share, loss of confidence in the Group's products, or give rise to a product liability claim in certain circumstances. Any of these outcomes would have an adverse effect on the Group's financial position and its ability to achieve growth in the market.

(g) Disruption to supply and transmission of horseracing and sporting events

Major horseracing and sporting events occur at fixed times during the year. Cancellation, postponement or restriction of such significant events for reasons including the COVID-19 pandemic, extreme weather events, acts of terrorism and other force majeure reasons, could cause disruption to the Group's operations, its ability to deliver its products and services to clients, and consequently, its financial position and performance.

(h) Regulatory risk

The Group provides products and services to clients operating in the wagering industry, which is highly regulated, both domestically and globally, including through the granting of licences, permits and other approvals to participants by relevant governments and authorities. While as a supplier of products and services the Group is not subject to the same regulatory requirements as its customers, there is a risk that a change in applicable regulations may result in the Group's customers incurring additional compliance costs or the withdrawal of certain services or from certain markets. This may result in the Group's customers reducing the scope of, or ceasing to require, the Group's products and services, which may operate to adversely affect the Group's financial position and performance.

There is a risk that one or more Australian or foreign governments, gambling regulators or other regulators may determine that the products or services supplied by the Group are in breach of relevant laws or regulatory requirements or otherwise amend such laws or regulatory requirements in a way that captures the Group's products or service. Any non-compliance by the Group with relevant laws, regulations or terms of any applicable licences, permits or approvals may have an adverse effect on the financial performance of the Group and by extension, the value of Shares and Shareholders' investments in the Company. Similarly, any unanticipated change to relevant laws or regulatory requirements may impose additional compliance costs on the Group or result in the reduction of services offered in, or withdrawal of services from, certain markets. Such changes could result in a material disruption to the Group's operations and adversely affect its financial position and performance.

(i) Expansion risks and international operations**(i) Expansion risks**

As the Group continues to expand overseas and operate in different markets, it must ensure that it is operating lawfully and in accordance with the relevant regulations, which includes but is not limited to, the application of the Australian Taxation Office Transfer Pricing requirements in relation to the Group's use of intellectual property. Failure to do so may result in fines, other sanctions or even the temporary or permanent cessation of operations in that jurisdiction. There is also the risk that the Group will be unable to find the right skills and experience in other countries and this will prevent it from establishing a market presence in the desired regions. This could significantly affect the Group's ability to achieve its strategic objectives in the future and materially affect its operations, growth and financial performance.

The Group is planning to continue its expansion in the UK, Europe and the US via direct engagement and strategic partnerships with participants in those jurisdictions. There is a risk that the anticipated direct engagements and partnerships in these jurisdictions will not eventuate, or may be taken up by competitors in the market. Such an outcome would materially affect the expansion of the Group's operations and negatively impact its growth and future financial performance.

(ii) Foreign exchange risk

As the Group expands operations into new countries, revenue and expenses will be incurred in multiple currencies. The Group may be required to fund the overseas operations from Australia until these operations are self-sufficient. Funding arrangements may see the transfer of large amounts of money between jurisdictions on a routine basis. This routine transfer of funds between countries with different currencies carries with it a foreign exchange risk that can impact the profitability (or viability) of the Group's foreign market operations.

(iii) Support functions

The Group operates an office in Sri Lanka, which supplies development, technology and website support to the Group's Australian headquarters. This office may be vulnerable to disruptions due to local regulatory matters, as a result of the COVID-19 pandemic, or for other reasons. If the Sri Lankan office were to experience disruption to its regular operations for any reason and staff were unable to attend work, the potential loss of productivity in relation to application and technology development and website content could materially affect the Group's IT operations in the short term, including product development. However, this risk is mitigated by the Group being able to relocate these positions on short notice if required.

(j) Concentration risks**(i) Concentration of customers**

A significant proportion of the Group's customers operate in the racing industry globally. As a result, the Group may be vulnerable to any event that affects the racing industry and demand for racing data, products and services. Such events could include an outbreak of equine influenza or the COVID-19 pandemic, with either leading to the closure of racecourses in a given country, or globally. The Group has a number of contractual agreements that include 'termination for convenience' clauses, which require a notice period of at least three to six months, but that nonetheless may operate to expose the Group to unexpected loss of customers outside of the normal contract review cycle. Over-reliance upon key customers may, in the event of termination or non-renewal of such arrangements, create revenue volatility and have an adverse effect the Group's financial position and performance.

(ii) Concentration of suppliers

The Group's key suppliers are limited to a small group of source data suppliers, both in Australia and overseas. Should one or more suppliers become either unable or unwilling to supply data to the Group, this could cause a shortfall in data requirements that may affect the Group's ability to produce form and racing products, provide sufficient content on the website and meet its obligations under contracts with customers, which in turn could adversely affect the business operations and financial results of the Group.

(k) Customer risk

It is critical for the Group to grow its B2B and B2C customer bases to meet expansion targets and strategic goals. However, the Group's customer base may grow slower than it expects or than it has grown historically. The ability of the Group to retain and increase customers is dependent on a number of factors, including, but not limited to:

- the adequacy of the Group's technology platform, including its product offering, functionality, reliability and customer support;
- the ability of the Group to successfully promote its brand through its sales and marketing strategy;
- the ability of the Group to keep pace with changes in technology and consumer preferences; and
- the prevailing macroeconomic and consumer spending trends and the impact of legal and regulatory changes.

New products and services (and changes to existing products and services) could fail to attain sufficient customer engagement for a number of reasons, including, but not limited to:

- failure to predict market demand accurately in terms of functionality or to supply features that meet this demand in a timely fashion;
- defects, errors or failures;
- negative publicity about performance or effectiveness;
- delays in releasing new products or services; or
- the introduction or anticipated introduction of competing products by competitors.

The Group relies heavily on the ‘first mover’ advantage gained by being developers of key technology in the market. Were the Group to lose this advantage for any reason, it may have a significant impact on the uptake of any new products developed by the Group. If the Group is unable to retain existing customers or attract new customers, it may adversely affect the Group’s ability to achieve its market share expectations, which may adversely impact its ability to improve its future financial performance.

(l) Competition risk

The horseracing and sporting industries are highly competitive and although the Group currently has limited competitors in the Australian data supply market, there is no guarantee that this will continue to be the case. Competitors from Australia and overseas may seek to enter the global market, providing direct competition to the Group and potentially affecting the Group’s client base and market share.

Competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or have greater resources to make acquisitions or enter into strategic partnerships. Competitors may also have greater financial, technical and other resources or have the capability to develop more commercially successful products and services than the Group. There is no guarantee that the products and services developed by the Group will continue to be competitive or that the Group will be able to grow its market share, both in Australia and overseas. This may mean that the Group is unable to meet its targets for growth or future financial objectives.

(m) Intellectual property risks

(i) Protection of intellectual property

The ability of the Group to maintain, establish and protect its intellectual property rights and maintain trade secret protection is fundamental to maintaining the Group’s competitive advantage and market share. The Group currently owns the registered trade mark of its logo and owns the copyright and intellectual property rights in its bespoke products and services developed for B2B and B2C customers. Some of these products are provided direct to market on the Racing and Sports website, while others are custom products developed for individual clients.

The commercial value of these assets is dependent on legal protections. Legal mechanisms however, do not guarantee that intellectual property will be protected or that the Group’s competitive position in respect of intellectual property will be maintained.

No assurances can be given that employees or other third parties will not breach confidentiality agreements, infringe or misappropriate the Group’s intellectual property or commercially sensitive information, or that competitors will not be able to produce similar, but non-infringing, products or services. In particular, as a supplier of media and data products to B2B and B2C customers, there is a risk that customers may on-sell or otherwise provide the Group’s products and services to other parties without the Group’s consent. While the Group takes reasonable steps to protect its proprietary technology, unauthorised sales and use of proprietary Group products and services represent an infringement of the Group’s copyright and may result in a loss of potential revenue for the Group along with a loss of control as to where and how the Group’s products are displayed and used.

Pursuing infringements of the Group’s intellectual property rights, which reside in complex technology products, could lead to expensive and lengthy disputes with no guaranteed outcome.

(ii) Use of third-party intellectual property

The Group is reliant on intellectual property supplied by other parties under licensing agreements. Should the other party seek to either change or revoke the right of the Group to use the intellectual property as agreed, or challenges the Group’s ability to use the intellectual property in the way that it has been, then the Group could be in a position where it is unable to provide key products and services either under customer agreements or on its website. Should this occur, the Group may experience an adverse effect on its market share and financial position.

(iii) Infringement of third-party intellectual property rights

It is possible that third parties may assert intellectual property infringement, copyright infringement, or other such claims against the Group under copyright, trade secret, patent or other laws. While the Group is not aware of any claims or potential claims in relation to any intellectual property rights that it has, or will acquire an interest in, if any such claims were to arise, they may negatively impact the Group’s interests. Defending such claims, even where the claim is without merit, is a significant impost on the financial, managerial and technical resources of the Group and may result in an inability for the Group to pursue strategic objectives and could negatively affect the Group’s financial position.

Additionally, parties making claims against the Group may achieve injunctive or other equitable relief that could prevent the Group from further commercialisation of its products. In the event of a successful claim against the Group, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences, either at all or at a reasonable cost, the Group could encounter delays in product development and loss of significant resources while it explores development of alternative products. It could also result in the Group being in breach of its commitments and representations made under contractual agreements with its customers, and in turn, result in the Group being required to defend claims under customer contracts, or the loss of those contracts, reputational harm and ultimately an adverse effect on the Group's financial position and performance.

(n) Counterparty risks

As part of its ongoing commercial activities, the Group enters into commercial contracts with various third parties. There is a risk that counterparties (including customers and suppliers) with whom the Group has entered into contracts may fail to meet their contractual obligations or otherwise underperform, resulting in a financial loss to the Group and impacting on its business relationships and operations, particularly in relation to supply of agreed products and services. The Group cannot guarantee that its counterparties will fulfil these obligations, perform to expected levels or that the Group will successfully manage counterparty credit risk.

(o) Litigation, claims and disputes

Although the Group is not aware of any potential litigation or any facts that would give rise to any claims against it, given the scope of the Group's activities, the terms of its commercial contracts, which in some cases contain broad indemnities, and the wide range of parties with which it deals, there is a risk that the Group may be subject to litigation and other claims and disputes, including disputes involving customers, employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings.

There is a risk that any such litigation, claims and disputes could materially and adversely affect the Group's business, operations and financial performance, including the costs of settling such claims, taking remedial action, complying with any orders and other legal and administrative requirements, and the effect on the Group's reputation.

(p) Funding risk

The Directors and management believe that, on receipt of funds from the Offer, the Group will have sufficient working capital to carry out its objectives. However, the Company may need to raise additional funds from time to time to execute on its expansion strategies and commercialisation activities. There is no guarantee that the Company will be able to raise any additional funding required on a timely basis, on favourable terms or that such funding will be sufficient to enable the Company to implement its strategies.

(q) Security interest risk

As noted in Section 9.7, ANZ has registered its security interests over all the present and after acquired property of Racing and Sports and the Company on the Personal Property Securities Register (**PPS Register**), to secure their respective obligations under the Facility and associated corporate guarantee.

Accordingly, failure by Racing and Sports or the Company to comply with their respective obligations, including a failure by Racing and Sports to repay all amounts outstanding upon the maturity of the Facility, will result in Racing and Sports or the Company being in default and failure to remedy such default may result in ANZ seeking to enforce its rights in such circumstances, including enforcement of its registered security interests against Racing and Sports or the Company.

(r) Changes to R&D incentive arrangements

The Group currently benefits from government research and development tax credits. These tax credits offset the development costs associated with products and services developed for, and exported to, overseas clients. Although no adverse changes to these laws have been foreshadowed by the government, or are expected by the Group, any changes to these taxation laws could have a significant and detrimental effect on the financial position of the Group and may affect the development of products for export in the future.

(s) Insurance risks

The Group seeks to obtain appropriate insurance policies consistent with those carried by organisations within its industry sector. These policies can be costly and difficult to obtain. Any increases in the costs of insurance policies carried by the Group, or difficulty obtaining adequate cover, could adversely affect the Group's business, financial condition or operational results. The insurance policies carried by the Group may also be inadequate to cover any losses it sustains. Uninsured loss or a loss in excess of the Group's insured limits could negatively affect the Group's financial position and also its ability to achieve its business objectives.

(t) Concentration of Shareholding

On Completion, the Existing Shareholders (predominantly, Gary Crispe, Robert Vilkaitis and to a lesser extent, Wayne Crispe) and Entain will collectively have voting power in respect of 67.7% of the Shares. Consequently, the Existing Shareholders and Entain will have the ability to exert significant influence over resolutions put to Shareholders (other than those in which they are excluded from voting), including in relation to the election of Directors, significant corporate transactions and certain issues of equity securities.

Following Completion of the Offer, the Existing Shareholders' and Entain's interest in the Company will also be sufficiently large enough to block a takeover or control transaction. Further, it is possible that the presence of the Existing Shareholders and Entain as material shareholders in the Company, may be perceived by the market as reducing the likelihood of a takeover of the Company. This may potentially cause the Shares to trade at a discount to the value at which they would trade if the Existing Shareholders and Entain did not hold their stake in the Company.

The concentration risk referred to above is partially mitigated by Entain agreeing to a standstill to not acquire any additional Shares where the acquisition would give Entain or an associate of Entain a Relevant Interest in more than 15% of the Company. See Section 7.5(b) for details, including the duration, of the standstill arrangements.

5.3 General risks of an investment in the Shares of the Company

(a) Price of Shares

Once the Company becomes a publicly listed company on ASX, it will become subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by its fundamental operations and activities.

The price at which the Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at a price below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on ASX, even if the Company's earnings increase.

Some of the factors which may adversely affect the price of the Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, consumer sentiment, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which the Company operates and general operating and business risks.

(b) Trading and liquidity in Shares and Escrowed Shareholders' interests

There can be no guarantee that an active market for the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares.

Following Listing, it is expected that the Escrowed Shareholders will hold up to 63.4% Shares, which may also impact liquidity. The absence of any sale of Shares by the Escrowed Shareholders during the applicable period during which those Shares are escrowed, may cause or at least contribute to, limited liquidity in the market for Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

Following release from escrow, the Escrowed Shareholders will be able to freely trade their Shares on ASX. A significant sale by the Escrowed Shareholders, or the perception that sales have occurred or might occur, could adversely impact the price of the Shares.

(c) Shareholder dilution

The Company may issue further Shares or other securities and cannot predict the size of future issues or the impact, if any, that future issues of securities will have on the market price of the Shares.

Issues of substantial numbers of Shares, or the perception that issue or sale of substantial numbers of Shares could occur, may adversely affect prevailing market prices of Shares.

While the Company will be subject to the constraints of the ASX Listing Rules relating to the issue of Shares and other securities, with any additional issue of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per Share.

(d) Taxation risks

The tax treatment of a Shareholder's investment may be impacted by legislative changes in tax law or the interpretation of tax laws (including goods and services taxes, and rules relating to deductible liabilities and stamp duty taxes).

Any changes to the current rate of company income tax may impact Shareholder returns, and any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and Shareholder returns.

Potential investors are encouraged to seek professional tax advice in connection with any investment in the Company.

(e) Dividends may not be fully franked

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. Shareholders should otherwise be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the financial year, will depend on the individual tax position of each Shareholder.

(f) Accounting Standards

Australian Accounting Standards (AAS) are set by the AASB and are outside the control of the Company. The AASB regularly introduces new or refined Australian Accounting Standards, which may affect future measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing AAS, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, may differ. Changes to AAS issued by the AASB, or changes to commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

(g) General economic and financial market conditions

General economic conditions (both domestically and internationally) may adversely impact the price of Shares as well as the Company's ability to pay dividends. This includes, among other factors, an increase in unemployment rates, negative consumer and business sentiment and an increase in interest rates. As a result, the Company is unable to forecast the market price of the Shares, and they may trade on ASX below the Offer Price.

(h) Inflation rates

Higher than expected inflation rates could lead to increased development and/or operating costs. If such increased costs cannot be offset by increased revenue, this could impact the Company's future financial performance.

(i) Interest rate fluctuations

Changes in interest rates will affect borrowings that bear interest at floating rates. An increase in interest rates will impact the Group's cost of servicing these borrowings, which may adversely affect its financial position.

(j) Force majeure events

Events may occur within or outside the markets in which the Company operates that could impact upon the global or regional economies, the operations of the Company and/or the price of the Shares. The events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or human-induced events or occurrences that can have an adverse effect on the demand for the Company's products and services or its ability to conduct business.

RACING AND SPORTS

6 Key People, Interests and Benefits

6. Key People, Interests and Benefits

6.1 Board of Directors

The Directors of the Company bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance.

Figure 6.1: Board of Directors – Experience and background



Kate Carnell AO – Non-Executive Chair

Kate Carnell is an experienced company director and CEO. Kate has held positions at the Australian Small Business and Family Enterprise Ombudsman, and the position of CEO at the Australian Chamber of Commerce and Industry, Beyond Blue, Australian Food and Grocery Council, Australian General Practice Network, and National Association of Forest Industries. Kate is a fellow of the Australian Institute of Company Directors and the Australian Institute of Management. She holds a bachelor's degree in pharmacy from the University of Queensland.



Gary Crispe – Executive Director and Chief Commercial Officer

Gary is a co-founder of Racing and Sports and a highly respected thoroughbred industry expert. Gary heads the executive team within Racing and Sports, driving strategic growth and overseeing the expansion of the business model globally, with a specific immediate focus on the UK and US markets. Gary has been part of the executive team that has led Racing and Sports since 1999 and has developed the strategy that has seen the overseas expansion. Gary holds bachelor degrees in economics and civil engineering.



Greg Nichols – Non-Executive Director

Greg Nichols is an internationally renowned leader within thoroughbred horseracing, sport and wagering, with global prominence as a senior executive for more than 30 years. Greg is a Director of Racing Australia, having previously also held the position of Chairman. Greg is currently a Non-Executive Director of Racing Victoria and Chairman of the AFL Coaches' Association. Greg was formerly the Chief Executive of the British Horseracing Board and has also held the position of Managing Director for Sporting Affairs at Betfair UK. Greg holds Graduate Membership of the Australian Institute of Company Directors (GAICD).



Sophie Karzis – Non-Executive Director; Chair of the Nomination and Remuneration Committee

Sophie is a qualified legal practitioner specialising in ASX Listing Rules and corporations law. Sophie has provided general counsel and company secretarial services to a number of ASX-listed companies, such as Adacel Technologies Limited, Afterpay Limited, Gale Pacific Limited, Johns Lyng Group Limited, Maggie Beer Holdings Limited, Midway Limited and Whispir Limited. Sophie currently holds non-executive directorship roles at Touch Ventures Limited and Collingwood Football Club Foundation. Sophie is a former non-executive director of ASX-listed Crowd Media Holdings Limited. Sophie holds bachelor degrees in law and jurisprudence from Monash University.



James Palmer – Non-Executive Director; Chair of the Audit and Risk Committee

James is an experienced CFO and Board Director, currently providing CFO advisory services to early-stage, fast growth companies and serving on the boards of Lava Blue Ltd, Epicorp Ltd, ACT Auditor General (Chair of Audit & Risk Committee) and Project Independence Ltd (Audit & Risk Committee). James' previous experience includes CFO of ArchTIS (ASX:AR9), CFO of Seeing Machines Ltd (AIM:SEE), as an audit partner at Ernst & Young where he was managing partner of the Canberra audit practice for six years, and as a board member for a series of private and not-for-profit organisations. James is a fellow of the Institute of Chartered Accountants and is a Graduate of the Australian Institute of Company Directors. James holds a Bachelor of Science (Hons) from Manchester University.

6.2 Executive management and company secretaries

Profiles of the Company's executive management team and company secretaries are set out below. Further information on the terms of employment of certain members of the executive management team, including the CEO, are set out in Section 6.3(c).

Figure 6.2: Executive management – Experience and background



Stephen Crispe – Chief Executive Officer

Stephen is an experienced business builder who has founded, operated and sold a successful technology services and consulting business. He is a proven leader and has demonstrated business acumen. Over the past 20 years, Stephen has held various positions at Racing and Sports, across technology, strategy and business development, providing him with an extremely comprehensive perspective in his role as Chief Executive Officer.



Robert Vilkaitis – Chief Technical Officer

Robert is one of Australia's foremost horseracing information technology specialists, and co-founder of Racing and Sports. Robert's key responsibilities include executive leadership, technology vision and product development, leading IT planning, software and the delivery schedule for high transaction applications.



Andrew Burns – Chief Financial Officer

Andrew has over 25 years' experience in senior leadership roles and has significant ASX experience undertaking CFO roles for Openpay Ltd, where he led the finance function through its IPO in 2019 and multiple subsequent capital raises, and The Citadel Group Limited (ASX:CGL), where he undertook the role of CFO for 11 years. Andrew has strong technical competencies in financial management, accounting and process improvement techniques with a focus in B2B technology and businesses.



Brent Dolan – Commercial Director, UK

Brent brings more than 45 years' of high-level experience in the betting and gaming industry in the UK. Brent has proven results from his time working with large racing-related companies at the executive management level. He also maintains the relationships with industry C-suite contacts around the world. Brent has lead responsibility for driving Racing and Sports' expansion in the UK, Europe and the US.

Gary Crispe – Executive Director and Chief Commercial Officer

See above in Section 6.1

Figure 6.3: Company Secretaries – Experience and background



Angela Gunton – Head of Corporate Services and Joint Company Secretary

Angela is a lawyer, human resources and business operations specialist, with over 5 years' experience working in contracts and commercial law, and more than 10 years' experience in human resources and business operations. Since 2005, Angela has been a key part of the management team of Racing and Sports and was appointed Company Secretary in 2021. Angela holds bachelor degrees in science and law and a Certificate IV in Human Resources.



Justin Mouchacca CA FGIA – Joint Company Secretary

Justin is a Chartered Accountant and Fellow of the Governance Institute of Australia with over 14 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements. Since July 2019, Justin has been principal of JM Corporate Services and has been appointed Company Secretary and Financial Officer for a number of entities listed on the ASX and unlisted public companies.

6.3 Interest and benefits

This Section 6.3 sets out the nature and extent of the interest and fees of certain persons involved in the Offer.

Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or a financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of the Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

(a) Non-Executive Directors

(i) Non-Executive Director appointment letters

Prior to the Prospectus Date, each Non-Executive Director has entered into appointment letters with the Company, confirming the terms of their appointment, their roles and responsibilities and the Company's expectations of them as Non-Executive Directors.

(ii) Non-Executive Directors' remuneration

Under the Constitution, the Board determines the total amount paid to each Non-Executive Director as remuneration for their services as a Director.

The total amount of fees paid to all Directors (excluding the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. The aggregate amount of Directors' fees that has been fixed as at the Prospectus Date is \$700,000.

Annual Non-Executive Directors' fees (inclusive of superannuation where applicable, but exclusive of GST where applicable) currently agreed to be paid by the Company are:

- (A) \$100,000 per annum to the Chair; and
- (B) \$60,000 per annum to other Non-Executive Directors.

(iii) Other

Non-Executive Directors may be reimbursed for travel and other expenses incurred in attending to the Company's affairs.

Non-Executive Directors may also be paid additional remuneration, if the Directors decide it is appropriate to do so, where a Director performs extra services or make special exertions.

There are no retirement benefit schemes for Non-Executive Directors, other than statutory superannuation contributions.

(b) Directors' interests in securities

Directors are not required under the Constitution to hold any securities in the Company. However, the Directors (and their associates) are entitled to apply for Shares under the Offer.

The Directors' interests in Shares and other securities in the Company as at the Prospectus Date and following Completion are set out in the table below:

Director	As at the Prospectus Date		As at Completion		Performance Rights ²
	Shares (number)	Shares (%)	Shares (number) ¹	Shares (%)	
Kate Carnell	–	–	–	–	–
Gary Crispe ³	16,695,124	46.3%	12,065,124	26.6%	67,780
Greg Nichols	–	–	–	–	–
Sophie Karzis	–	–	–	–	–
James Palmer	–	–	–	–	–
Total	16,695,124	46.3%	12,065,124	26.6%	67,780

Notes:

- Assumes Directors do not participate in the Offer (although Directors are entitled to participate in the Offer).
- These represent Performance Rights to be granted under the Company's Long-Term Incentive Plan (LTIP). Please refer to Section 6.3(d) for more information on the proposed grant of Awards under the LTIP and a summary of the Plan Rules.
- Gary's interest in the Company's securities does not include the Tranche 1 Options or Performance Rights, which will be respectively issued under the LTIP Option Offer and LTIP Performance Rights Offer to his children, Stephen Crispe and Angela Gunton, on the basis that the Company does not consider Gary will have a Relevant Interest in those securities or the relationship to give rise to an association under the Corporations Act. Please refer to Sections 6.3(d)(iii), 6.3(d)(iv) and 9.6(a) for details of the Tranche 1 Options and Performance Rights to be issued to Stephen Crispe and Angela Gunton (as applicable).

(c) Executive remuneration

In addition to the Directors, the key management personnel of the Company for the purposes of the Company's future reporting obligations are Stephen Crispe (Chief Executive Offer), Gary Crispe (Executive Director and Chief Commercial Officer), Robert Vilkaitis (Chief Technical Officer) and Andrew Burns (Chief Financial Officer). Their employment and consultancy arrangements (as applicable) are summarised below.

(i) Chief Executive Officer – Stephen Crispe

Term	Description
Employer	Racing and Sports Pty Ltd
Total Fixed Remuneration (TFR)	\$330,000 (including superannuation)
Short-Term Incentive (STI)	<p>Stephen is eligible to participate in the Company's STI arrangements on the following basis:</p> <ul style="list-style-type: none"> • The amount of the STI award that Stephen becomes entitled to each year (if any) will be determined by the Board based on the achievement of set performance targets. • Performance will be measured against a 12-month financial year. • For FY2022, Stephen will be entitled to receive a maximum STI award of up to 50% of his annual TFR if targets are met. Performance conditions will include a mix of financial and non-financial targets. • If Stephen becomes entitled to receive an STI award, 100% of this will be delivered in cash, with 25% deferred for 12 months, and subject to forfeiture in whole or part in the event that there is a misstatement of the financial statements, fraud or wrongdoing occurs, performance is not sustained at minimum levels or there is excessive risk taking during the deferral period, in each case, as determined by the Board in its discretion.
Long-Term Incentive (LTI)	<p>Stephen is eligible to participate in the Company's LTI plan and will receive:</p> <ul style="list-style-type: none"> • 843,328 Tranche 1 Options under the LTIP Option Offer on or around Completion of the Offer; and • 110,000 Performance Rights under the LTIP Performance Rights Offer approximately three months after Completion. <p>Further details of the LTI plan are set out in Section 6.3(d) below, including key terms and conditions (such as the vesting conditions).</p> <p>Stephen is the son of Executive Director, Gary Crispe and therefore considered a related party of the Company for the purpose of the ASX Listing Rules. From Listing, the Company's ability to grant Awards to Stephen under the LTIP will be subject to any Shareholder approval requirements under the ASX Listing Rules.</p>
Notice period, termination and termination payments	<p>Stephen's employment may be terminated by either party upon giving six months' notice. In either event, the Company may make payment in lieu of notice. In the event of serious misconduct or other circumstances warranting summary dismissal, the Company may terminate Stephen's employment contract immediately without payment in lieu of notice.</p>
Non-solicitation/restrictions of future activities	<p>Following termination of Stephen's employment, he will be subject to post-employment non-competition and non-solicitation restraints that apply across Australia for a period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.</p>

(ii) *Executive Director and Chief Commercial Officer – Gary Crispe*

Term	Description
Employer	Racing and Sports Pty Ltd
Total Fixed Remuneration (TFR)	\$305,000 (including superannuation)
Short-Term Incentive (STI)	<p>Gary is eligible to participate in the Company's STI arrangements on the following basis:</p> <ul style="list-style-type: none"> • The amount of the STI award that Gary becomes entitled to each year (if any) will be determined by the Board based on the achievement of set performance targets. • Performance will be measured against a 12-month financial year. • For FY2022, Gary will be entitled to receive a maximum STI award of up to 33.33% of his annual TFR if targets are met. Performance conditions will include a mix of financial and non-financial targets. • If Gary becomes entitled to receive an STI award, 100% of this will be delivered in cash, with 25% deferred for 12 months, and subject to forfeiture in whole or part in the event that there is a misstatement of the financial statements, fraud or wrongdoing occurs, performance is not sustained at minimum levels or there is excessive risk taking during the deferral period, in each case, as determined by the Board in its discretion.
Long-Term Incentive (LTI)	<p>Gary is eligible to participate in the Company's LTI plan and will receive 67,780 Performance Rights under the LTIP Performance Rights Offer approximately three months after Completion.</p> <p>Further details of the LTI plan are set out in Section 6.3(d) below, including key terms and conditions (such as the vesting conditions).</p>
Notice period, termination and termination payments	<p>Gary's employment may be terminated by either party upon giving six months' notice. In either event, the Company may make payment in lieu of notice. In the event of serious misconduct or other circumstances warranting summary dismissal, the Company may terminate Gary's employment contract immediately without payment in lieu of notice.</p>
Non-solicitation/restrictions of future activities	<p>Following termination of Gary's employment, he will be subject to post-employment non-competition and non-solicitation restraints that apply across Australia for a period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.</p>

(iii) Chief Technical Officer – Robert Vilkaitis

Term	Description
Employer	Racing and Sports Pty Ltd
Total Fixed Remuneration (TFR)	\$305,000 (including superannuation)
Short-Term Incentive (STI)	<p>Robert is eligible to participate in the Company's STI arrangements on the following basis:</p> <ul style="list-style-type: none"> • The amount of the STI award that Robert becomes entitled to each year (if any) will be determined by the Board based on the achievement of set performance targets. • Performance will be measured against a 12-month financial year. • For FY2022, Robert will be entitled to receive a maximum STI award of up to 33.33% of his annual TFR if targets are met. Performance conditions will include a mix of financial and non-financial targets. • If Robert becomes entitled to receive an STI award, 100% of this will be delivered in cash, with 25% deferred for 12 months, and subject to forfeiture in whole or part in the event that there is a misstatement of the financial statements, fraud or wrongdoing occurs, performance is not sustained at minimum levels or there is excessive risk taking during the deferral period, in each case, as determined by the Board in its discretion.
Long-Term Incentive (LTI)	<p>Robert is eligible to participate in the Company's LTI plan and will receive 67,780 Performance Rights under the LTIP Performance Rights Offer approximately three months after Completion.</p> <p>Further details of the LTI plan are set out in Section 6.3(d) below, including key terms and conditions (such as the vesting conditions).</p>
Notice period, termination and termination payments	<p>Robert's employment may be terminated by either party upon giving six months' notice. In either event, the Company may make payment in lieu of notice. In the event of serious misconduct or other circumstances warranting summary dismissal, the Company may terminate Robert's employment contract immediately without payment in lieu of notice.</p>
Non-solicitation/restrictions of future activities	<p>Following termination of Robert's employment, he will be subject to post-employment non-competition and non-solicitation restraints that apply across Australia for a period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.</p>

(iv) Chief Financial Officer – Andrew Burns

Term	Description
Nature of engagement	Andrew provides services to the Group as Chief Financial Officer under a consultancy agreement via his associated entity, Burns Executive Services Pty Ltd ACN 633 572 924 (Consultancy Agreement), which expires on 30 September 2022.
Fees	Under the Consultancy Agreement, the Group pays a monthly rate of \$15,000 (plus GST) to Andrew's service entity for Andrew's services amounting to \$180,000 per annum plus GST.
Short-Term Incentive (STI)	<p>Andrew is eligible to participate in the Company's STI arrangements (via his service entity) on the following basis:</p> <ul style="list-style-type: none"> • The amount of the STI award that Andrew becomes entitled to each year (if any) will be determined by the Board based on the achievement of set performance targets. • Performance will be measured against a 12-month financial year. • For FY2022, Andrew will be entitled to receive a maximum STI award of up to 22.22% of his annual contractor fees if targets are met. Performance conditions will include a mix of financial and non-financial targets. • If Andrew becomes entitled to receive an STI award, 100% of this will be delivered in cash, with 25% deferred for 12 months, and subject to forfeiture in whole or part in the event that there is a misstatement of the financial statements, fraud or wrongdoing occurs, performance is not sustained at minimum levels or there is excessive risk taking during the deferral period, in each case, as determined by the Board in its discretion.
Long-Term Incentive (LTI)	<p>Andrew is eligible to participate in the Company's LTI plan and will receive the following Awards under the LTI plan on or around Completion:</p> <ul style="list-style-type: none"> • 374,813 Tranche 1 Options under the LTIP Option Offer; and • 127,389 Tranche 2 Options under the LTIP Option Offer. <p>Further details of the LTI plan are set out in Section 6.3(d) below, including key terms and conditions (such as the vesting conditions).</p>
Notice period, termination and termination payments	The Consultancy Agreement may be terminated by either party upon giving three months' notice. In the event of an un-remedied breach, the Company may terminate the Consultancy Agreement immediately.
Non-solicitation/restrictions of future activities	Following termination of the Consultancy Agreement, Andrew will be subject to non-competition and non-solicitation restraints that apply across Australia for a period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

(d) Equity-based remuneration arrangements**(i) Long-Term Incentive Plan**

The Company has established a Long-Term Incentive Plan (**LTIP**) to assist in the reward, retention and motivation of senior executives and other key employees, consultants, contractors and Directors and align their interests with those of the Shareholders.

Participants may be offered either Options or Performance Rights (**Awards**) as part of the Company's various offers under the LTIP.

The Company intends to grant the following Awards under the LTIP:

- (A) 66,667 Zero Priced Options under the ZEPO Offer (see Section 6.3(d)(ii))
- (B) 1,218,141 Tranche 1 Options in total to its CFO, Andrew Burns and CEO, Stephen Crispe and 127,389 Tranche 2 Options to Andrew Burns, in each case, under the LTIP Option Offer (see Section 6.3(d)(iii));
- (C) 301,284 Performance Rights in total to select senior executives and key employees of the Group under the LTIP Performance Rights Offer (see Section 6.3(d)(iv)),

(collectively, the **LTIP Offers**).

For the purposes of ASX Listing Rule 7.2 (Exception 13), the maximum number of Awards proposed to be granted under the LTIP in the three years from Listing is 3,605,000. This maximum amount is not intended to be a prediction of the actual number of Awards to be granted under the LTIP. It is simply a maximum number for the purposes of ASX Listing Rule 7.2 (Exception 13) to allow the Company to grant up to the threshold amount over the three-year period after Listing, without reducing its placement capacity under ASX Listing Rule 7.1.

A summary of the Plan Rules of the LTIP is set out in the table below.

Term	Description
Eligible Participants	A person is eligible to participate in the LTIP if that person is a Director of any member of the Group, a full-time or part-time employee of any member of the Group, or any other person declared by the Board to be eligible, and is selected by the Board to participate in the LTI Plan (Participant).
Securities to be issued	As part of the LTIP, Participants may be issued the following Awards: <ul style="list-style-type: none"> • entitlements to subscribe for, acquire and/or be allocated Shares for nil consideration (Performance Rights); and • options to acquire Shares (Options). Each Option or Performance Right represents a right to acquire one Share. Alternatively, in the case of the Performance Rights only, the Board may determine to make a cash payment in lieu of the issue of Shares.
Payment for the exercise of Awards	It is not intended that Participants will be required to make any payment in order to be granted an Award. The Board may determine, in its absolute discretion, the exercise price payable (if any) by a Participant who has been granted an Option, to exercise that Option.
Number of securities to be issued	The number of Awards offered to a Participant from time to time will be determined by the Board in its absolute discretion and in accordance with the terms of the LTIP.
Vesting of Awards	The Board may determine, in its absolute discretion, the terms and conditions (including performance hurdles and/or vesting conditions) that apply to the vesting of any Awards. Awards that have not vested, or vested Options that have not been exercised by the relevant expiry date determined by the Board, will lapse.

Term	Description
Cessation of employment	<p>Where a Participant ceases employment or office with any member of the Group other than as a 'good leaver', then unless the Board determines otherwise in its absolute discretion:</p> <ul style="list-style-type: none"> • vested Options may continue to be exercisable up to the lesser of 6 months from the date the Participant becomes a "bad leaver" and their expiry date; • all vested Performance Rights will be immediately exercised (if they have not already); and • any unvested Performance Rights and/or Options will immediately lapse. <p>If a Participant ceases employment or office with any member of the Group because of death, they become permanently disabled, retire from the workforce, or are made redundant (i.e. as a 'good leaver'), then:</p> <ul style="list-style-type: none"> • vested Options that have not been exercised will continue to be exercisable up to their expiry date; • all vested Performance Rights will be immediately exercised (if they have not already); and • the Board can determine, in its absolute discretion, the manner in which unvested Options and/or Performance Rights will be dealt with.
Variation of LTIP	<p>Subject to the ASX Listing Rules and the Constitution, the Board has the power to vary the terms of the LTIP at any time and in any manner it thinks fit.</p> <p>However, the Board may only amend a provision of the Plan Rules or to Performance Rights and/or Options granted under the LTIP, which materially reduces the rights of Participants in respect of the Awards where the amendment is required for the purposes of complying with any law or the ASX Listing Rules, the amendment is to correct any manifest error or mistake, is introduced primarily to take into consideration possible adverse taxation implications in respect of the LTIP, is for the purposes of complying with or conforming to present or future legislation governing the LTIP, or the amendment will allow the implementation of a trust arrangement in relation to the holding of Shares granted under the LTIP.</p>
Change of control	<p>If:</p> <ul style="list-style-type: none"> • an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and the Board resolves to recommend the bid, or the bid is, or is declared, unconditional; • the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement pursuant to which control of the majority of the Shares in the Company may change; • an administrator, liquidator, provisional liquidator, receiver or receiver and manager is appointed in respect of the Company or substantially all of the assets of the Company; • a notice of a general meeting of the Company proposing a resolution to voluntarily wind-up the Company is dispatched to members of the Company; or • any transaction or event is proposed that, in the opinion of the Board, is likely to result in one or more persons becoming entitled to exercise control over the Company,

Term	Description
Change of control (continued)	<p>then unless otherwise determined by the Board:</p> <ul style="list-style-type: none"> • unvested Options and Performance Rights granted will vest where the Board considers that all vesting conditions and performance hurdles relating to those Options and Performance Rights have been met; • unvested Options and Performance Rights granted will vest only on a pro-rata basis where relevant performance hurdles and vesting conditions have not been met. In those circumstances, pro-rata vesting will be based on the period that has elapsed from the grant date to the date of the change of control event when compared to the relevant overall vesting period and tested against the relevant performance hurdles; and • any Option or Performance Right the Board determines will not vest as specified above will automatically lapse. <p>Also, in the event of a change of control:</p> <ul style="list-style-type: none"> • the Board may in its absolute discretion reduce the exercise period and bring forward the expiry date of any vested Options; and • any disposal or dealing restrictions imposed by the Board on Shares will cease to have effect.
Buy-back	<p>Subject to applicable laws, the Company may buy back Awards or Shares issued on the exercise of Awards held by a Participant for:</p> <ul style="list-style-type: none"> • an amount agreed with the Participant; • the market value of the Awards or the relevant Shares (without agreement of the Participant); or • where there is a formal takeover offer made for at least 5% of the Shares, at the price or prices offered by the bidder under the takeover offer.
Restrictions on disposal	<p>Awards issued to a Participant may not be assigned, transferred or encumbered with a security interest unless otherwise agreed by the Board or that assignment or transfer occurs by force of law on the death of a Participant.</p> <p>The Board may determine, in its absolute discretion, whether there will be any restrictions on the disposal of or the granting of any security interests over the Shares issued on the exercise of Awards.</p>
Quotation	<p>The Awards will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LTIP in accordance with the ASX Listing Rules.</p>
Voting rights	<p>The Awards will not give a Participant any voting rights until the relevant Awards are exercised and the Participant holds Shares.</p>
Dividend rights	<p>The Awards will not give a Participant any right to participate in any dividends until the relevant Awards are exercised and the Participant holds Shares.</p>
Participation rights in new issues of capital	<p>The Awards do not confer the right to participate in new issues of Shares or other securities in the Company.</p> <p>However, subject to the ASX Listing Rules, the LTIP provides for adjustments to be made to the number of Shares which a Participant would be entitled on the exercise or conversion of Awards or the exercise price (if any) of the Options in the event of a bonus issue or pro-rata issue to existing holders of Shares or a reorganisation of capital.</p>
Return of capital	<p>The Awards do not confer any right to a return of capital or to participate in the surplus profit or assets of the Company on a winding up.</p>

(ii) ZEPO Offer

The Company intends to issue 66,667 Zero Priced Options to one or more senior executives of the Group under the ZEPO Offer. The terms specific to these Zero Priced Options granted under the ZEPO Offer will be on the terms generally described above and as set out in the table below.

These Options constitute a one-off offer to reward one or more senior executives for their contribution to the Company and the performance achieved under their stewardship prior to Completion of the Offer.

Term	Description
Eligibility	The ZEPO Offer will be made to one or more select senior executives of the Group.
Grant date	Approximately three months after Listing.
Quantum of grant	A total of 66,667 Zero Priced Options will be granted to one or more senior executives under the ZEPO Offer.
Issue price	Options to be granted under the ZEPO Offer will be issued at no cost to the Participant.
Exercise price	Nil.
Vesting conditions	The Zero Priced Options will vest upon granting.
Disposal restrictions	The resulting Shares will be subject to a disposal restriction until the first anniversary of the date the Company is admitted to the Official List.
Exercise	The Zero Priced Options may be exercised at any time from the grant date until the expiry date (being 31 March 2022) by the Participant giving an exercise notice to the Company.

(iii) LTIP Option Offer

Under the LTIP Option Offer, the Company intends to issue 1,218,141 Tranche 1 Options in total to its CFO Andrew Burns and CEO Stephen Crispe, and 127,389 Tranche 2 Options to Andrew Burns. The terms specific to the Options granted under the LTIP Option Offer will be on the terms generally described above and as set out in the table below:

Term	Description
Grant date	On or around Completion of the Offer.
Quantum of grant	The CFO will be granted 374,813 Tranche 1 Options and 127,389 Tranche 2 Options. The CEO will be granted 843,328 Tranche 1 Options. The Company attributes a total value of \$225,000 to these Options based on a trinomial option pricing model. The Board has elected to incentivise Stephen Crispe by allowing him to be granted Options under the LTIP Option Offer in order to assist in his reward, retention and motivation. The Options (and to an extent, the resulting Shares) are governed by the Plan Rules and other specific terms, which ensures that Stephen's interests remain aligned with those of the Company and its Shareholders.
Issue price	Options to be granted under the LTIP Option Offer will be issued at no cost to the Participant.
Exercise price	\$1.95 per Option, being a 30% premium to the Offer Price.
Vesting conditions	The Tranche 1 Options will vest upon Listing. The Tranche 2 Options will vest on 30 September 2022.
Disposal restrictions	In relation to the Tranche 1 Options, the resulting Shares will be subject to a disposal restriction until the first anniversary of the date the Company is admitted to the Official List. No disposal restrictions apply to Shares issued on exercise of the Tranche 2 Options.
Expiry	Each of the Tranche 1 Options and Tranche 2 Options will expire on the date that is 24 months from their respective vesting dates.
Exercise	Subject to the applicable vesting condition having been satisfied or waived and the Options not having lapsed in accordance with the terms of the LTIP, the Options may be exercised at any time from the time of vesting until the expiry date by the Participant giving an exercise notice to the Company and paying the exercise price.

(iv) LTIP Performance Rights Offer

The Performance Rights to be granted under the LTIP Performance Rights Offer will be on the terms generally described above and as set out in the table below:

Term	Description
Eligibility	<p>The LTIP Performance Rights Offer will be made to select senior executives and key employees of the Group, including Executive Director and CCO Gary Crispe and CEO Stephen Crispe, approximately three months after Listing.</p> <p>The Board has elected to incentivise Gary Crispe and Stephen Crispe by allowing them to be granted Performance Rights under the LTIP Performance Rights Offer in order to assist in their reward, retention and motivation, and also so that the Performance Rights are governed by the Plan Rules and other specific terms, such as the relevant performance conditions, which ensures that Gary and Stephen's interests remain aligned with those of the Company and its Shareholders.</p> <p>Where the Board may seek to make further offers of Awards to Directors, the Company's ability to grant Awards under the LTIP will be subject to any Shareholder approval requirements under the ASX Listing Rules.</p>
Grant date	Approximately three months after Listing.
Quantum of grant	<p>The CEO will be granted 110,000 Performance Rights. The Company attributes a total value of \$165,000 to these Performance Rights based on the Offer Price of \$1.50.</p> <p>The Executive Director and CCO will be granted 67,780 Performance Rights. The Company attributes a total value of \$101,670 to these Performance Rights based on the Offer Price of \$1.50.</p> <p>The CTO will be granted 67,780 Performance Rights.</p> <p>In addition, a total of 55,724 Performance Rights will be granted to other key employees.</p>
Issue price	Performance Rights to be granted under the LTIP Performance Rights Offer will be issued at no cost to the Participant.
Exercise price	Nil.
Performance period	<p>The performance period that applies to the Performance Rights granted under the LTIP Performance Rights Offer will be as follows:</p> <ul style="list-style-type: none"> in the case of the Revenue Performance Rights, 1 July 2021 to 30 June 2024; and in the case of the TSR Performance Rights, the date of Listing to 31 August 2024.
Performance conditions	<p>Performance Rights granted as part of the LTIP Performance Rights Offer, which have not lapsed, will vest based on the performance of the Company at the end of the performance period and subject to the Participant remaining employed or engaged by the Group until 30 September 2024.</p> <p>Of the total number of Performance Rights granted under the LTIP Performance Rights Offer:</p> <ul style="list-style-type: none"> 50% will be based on achievement of Board-approved CAGR in the Company's revenue over the performance period with the Company's audited revenue for FY2021 being the base (Revenue Hurdle); and 50% will be subject to the satisfaction of a performance condition relating to the CAGR of the Company's 'total shareholder return' at the end of the performance period (TSR Hurdle).

Term	Description																				
Performance conditions (continued)	<p>Revenue Hurdle</p> <p>In order for any Performance Rights tested against the Revenue Hurdle to vest, a threshold level of performance must be achieved. The percentage of Performance Rights subject to the Revenue Hurdle (Revenue Performance Rights) that vest, if any, will be determined by reference to the below vesting schedule:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Level of achievement</th> <th style="text-align: left;">% of Revenue Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>Less than 70% of revenue target</td> <td>Nil</td> </tr> <tr> <td>Equal to 70% of revenue target</td> <td>80%</td> </tr> <tr> <td>Between 70% and 120% of revenue target</td> <td>Straight-line pro-rata vesting between 80% and 100%</td> </tr> <tr> <td>At or above 120% of revenue target (stretch performance)</td> <td>100%</td> </tr> </tbody> </table> <p>The Board in its absolute discretion may adjust the achieved revenue growth by up to 15% if the Board determines the quality of the revenue is lower than expectation.</p> <p>TSR Hurdle</p> <p>The percentage of Performance Rights subject to the TSR Hurdle (TSR Performance Rights) that vest, if any, will be determined by reference to the below vesting schedule:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Level of achievement</th> <th style="text-align: left;">% of TSR Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>Less than 10% TSR CAGR</td> <td>Nil</td> </tr> <tr> <td>Equal to 10% TSR CAGR</td> <td>80%</td> </tr> <tr> <td>Between 10% TSR CAGR and 20% TSR CAGR</td> <td>Straight-line pro-rata vesting between 80% and 100%</td> </tr> <tr> <td>At or above 20% TSR CAGR (stretch performance)</td> <td>100%</td> </tr> </tbody> </table> <p>The base for TSR is the Offer Price.</p>	Level of achievement	% of Revenue Performance Rights that vest	Less than 70% of revenue target	Nil	Equal to 70% of revenue target	80%	Between 70% and 120% of revenue target	Straight-line pro-rata vesting between 80% and 100%	At or above 120% of revenue target (stretch performance)	100%	Level of achievement	% of TSR Performance Rights that vest	Less than 10% TSR CAGR	Nil	Equal to 10% TSR CAGR	80%	Between 10% TSR CAGR and 20% TSR CAGR	Straight-line pro-rata vesting between 80% and 100%	At or above 20% TSR CAGR (stretch performance)	100%
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Vesting	<p>The Board will arrange for the performance conditions to be tested following the release of the Company's full-year audited results after the end of the performance period and determine the appropriate vesting outcome.</p> <p>Any Performance Rights that remain unvested following testing will lapse immediately.</p> <p>Upon vesting, the Performance Rights will be automatically exercised and Shares in the Company will be allocated to the Participants.</p>																				

The following additional information is provided with respect to the Performance Rights proposed to be issued to the Company's key management personnel under the LTIP Performance Rights Offer (**KMP Recipients**):

- (A) The Performance Rights are being issued to remunerate and incentivise the KMP Recipients and are considered ordinary course of business remuneration securities. As outlined above, the Company considers that the Performance Rights will assist in the reward, retention and motivation of the KMP Recipients and create an alignment between their interests and those of the Company and its Shareholders.
- (B) A summary of the employment arrangements relating to the KMP Recipients, including their total remuneration packages, is set out in Section 6.3(c).

- (C) The Company considers that each KMP Recipient will play a significant role in meeting the performance conditions attached to the Performance Rights. Please refer to the profiles of the KMP Recipients in Section 6.2 for more information on their respective positions in the Company, relevant experience and skills.
- (D) Details of the KMP Recipients' interest in the securities of the Company upon Completion (and shortly after Completion) are set out in Sections 6.3(b) and 6.3(c).
- (E) The number of Performance Rights to be issued to each of the KMP Recipients has been determined by the Board, in consultation with an independent remuneration advisory firm, having regard to the stage of the Company's business lifecycle.
- (F) The Board considers the number of Performance Rights to be issued to the KMP Recipients to be appropriate and equitable as the maximum number of Shares into which the Performance Rights being issued to the KMP Recipients will convert if the performance conditions are achieved (being 245,560 Shares) is significantly less than the number of Shares which the Company proposes to have on issue at the date of its Listing (being 45,391,918).

(e) Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director and certain senior executives, which confirms and extends their statutory and general law rights of access to Board papers and the books and records of the Company and its Subsidiaries. The deeds provide that Directors and senior executives be allowed access to and a copy of records in certain circumstances.

In accordance with the Constitution, the Company may, to the full extent permitted by law, indemnify any current and former directors and officers of the Company and its Subsidiaries against any liability incurred by that person in that capacity, including legal costs. Accordingly, the deed also requires the Company to indemnify the Directors and senior executives for liability incurred as an officer of the Company and its wholly owned subsidiaries, to the maximum extent permitted by law. The deed provides that the Company must advance to the Director or senior executive, costs reasonably incurred by them in conducting or defending certain proceedings.

The Constitution also allows the Company, to the extent permitted by law, to enter into and pay premiums on contracts, insuring any liability incurred by any current and former Directors and officers of the Company and its Subsidiaries, which is incurred by them in that capacity, including legal costs.

Accordingly, the deed requires the Company to maintain, to the extent permitted by law, an insurance policy that insures Directors and officers against liability as a Director or officer of the Company and its Subsidiaries from the date of the deed until the date seven years after the Director or officer ceases to hold office as a Director or officer of the Company or any of the Subsidiaries. This seven-year period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

(f) Interest of advisers

The following professional advisers have been engaged by the Company in relation to the Offer:

(i) Ord Minnett

Ord Minnett Limited has been engaged by the Company as Lead Manager and Underwriter in relation to the Offer. The Company has agreed to pay the Lead Manager the fees described in Section 9.5(a) for its services.

In addition, the Company has entered into the Underwriting Agreement with the Lead Manager the terms of which are summarised in Section 9.5.

(ii) Gadens

Gadens has been engaged by the Company as Australian legal adviser in relation to the Offer (excluding in relation to taxation and stamp duty matters). The Company has paid, or agreed to pay, approximately \$300,000 (excluding disbursements and GST) for legal services provided in relation to the Offer to the Prospectus Date. The amounts payable to Gadens exclude additional fees payable for work not directly connected with the Offer. Further amounts may be payable to Gadens in accordance with its normal time-based charges.

(iii) RSM Corporate Australia Pty Ltd

The Company has engaged RSM Corporate Australia Pty Ltd to act as independent corporate advisers in relation to the Offer.

The services to be provided by RSM Corporate Australia Pty Ltd in relation to the Offer include the preparation of investor presentations, making recommendations in relation to the structure of the Offer, building a forecast financial model, assisting in the management of the Lead Manager and assisting with the due diligence process and the drafting of the Prospectus.

The Company has paid, or agreed to pay, RSM Corporate Australia Pty Ltd \$741,000 (excluding disbursements and GST) for the services provided in relation to the Offer.

The Company is also required to reimburse RSM Corporate Australia Pty Ltd for out-of-pocket expenses incurred by those parties in relation to the provision of their services.

(iv) RSM Australia Pty Ltd

RSM Australia Pty Ltd has acted as the Australian taxation adviser in relation to the Offer. The Company has paid, or agreed to pay, approximately \$39,000 (excluding disbursements and GST) for these services up to the Prospectus Date. Further amounts may be payable to RSM Australia Pty Ltd in accordance with its normal time-based charges.

(v) Moore Australia (VIC) Pty Ltd

Moore Australia (VIC) Pty Ltd has acted as Investigating Accountant in relation to the Offer and has prepared the Independent Limited Assurance Report set out in Section 8.

The Company has paid, or agreed to pay, approximately \$45,500 (excluding disbursements and GST) to Moore Australia (VIC) Pty Ltd for services performed in relation to the Offer. Further amounts may be payable to Moore Australia (VIC) Pty Ltd in accordance with its normal time-based charges.

(vi) Frost & Sullivan

Frost & Sullivan has prepared the Industry Overview set out in Section 2. The Company has paid, or agreed to pay, approximately \$19,000 (plus GST) for this report.

6.4 Escrow arrangements

The Escrowed Shareholders have entered into voluntary escrow arrangements, which prevent them from disposing of their Escrowed Shares during the Escrow Period (subject to relevant exceptions). Please refer to Section 9.8 of this Prospectus for details on the escrow arrangements.

6.5 Corporate governance

This Section 6.5 explains how the Board will oversee the management of the Company's business.

The Board is responsible for the overall performance of the Company and accordingly is accountable for monitoring the Company's business affairs and strategic direction, establishing policies and overseeing the Company's financial position and performance. The Board is committed to maximising performance, generating appropriate levels of returns for Shareholders and sustaining the growth and success of the Company. Accordingly, the Board has adopted corporate governance policies and procedures designed to promote the responsible management of the Company.

The Company has adopted its corporate governance policies having regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX Recommendations**). As a listed entity, the Company will be required to report annually on the extent to which it has followed the ASX Recommendations during each financial year. If it has not followed a particular ASX Recommendation during any particular financial year, the Company must disclose its reasons for not doing so.

Copies of the Company's key corporate governance policies and charters are available at <https://racingandsports.company/>.

(a) The Board

The following table provides information regarding the composition of the Board and the position of each Director.

Name	Position	Independence
Kate Carnell AO	Non-Executive Director and Chair	Independent
Gary Crispe	Executive Director and Chief Commercial Officer	Not Independent
Greg Nichols	Non-Executive Director	Independent
Sophie Karzis	Non-Executive Director; Chair of the Nomination and Remuneration Committee	Independent
James Palmer	Non-Executive Director; Chair of the Audit and Risk Committee	Independent

Biographies of the Directors are set out in Section 6.1.

Each Director has confirmed to the Company that they anticipate being available to perform their duties as an Executive or Non-Executive Director (as the case may be) without constraints from other commitments.

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring independent judgement to bear on issues before the Board and to act in the best interest of the Company. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director.

In assessing independence, the Board will have regard to the factors set out in the ASX Recommendations. One of those factors is whether a Director has a substantial holding in the Company, (as defined in the Corporations Act and including a person who has a Relevant Interest of 5% or more), or is otherwise associated with a substantial holder of the Company.

Gary Crispe has a substantial holding in the Company (at Completion, Gary is expected to have an interest in 12,065,124 Shares). In this regard, for the purposes of the ASX Recommendations, Gary will have an interest that may affect his characterisation as an independent Director. Notwithstanding, the Board considers that following Completion of the Offer, Gary's interest in Shares works to align his interests with those of other Shareholders and does not impede his ability to bring independent judgement to bear on issues before the Board and act in the best interests of the Company.

(b) Board Charter

The Board Charter has been adopted to provide a framework for the effective operation of the Board. The Board Charter prescribes the:

- Board's composition;
- role and responsibilities of the Board;
- delegation of duties and powers;
- Board process;
- role and responsibilities of the Chair and Company Secretary;
- relationship between the Board and the CEO and management;
- procedure for the conduct of Board meetings;
- ability of Directors to seek independent advice; and
- process for periodic performance evaluations of the Board, each Director and the Board committees.

The Board's role includes to:

- represent and serve the interests of Shareholders by overseeing and assessing the Company's performance, strategic direction and policies;
- provide effective oversight of its management and business activities;
- protect and optimise the Company's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution, and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards);
- seek to ensure the Company acts in accordance with its legal and other obligations; and
- ensure that Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

(c) Board committees

The Board may, from time to time, establish committees to assist in the discharge of its responsibilities. In accordance with the Board Charter and ASX Recommendations, the Board has established the following committees:

- (i) Audit and Risk Committee; and
- (ii) Nomination and Remuneration Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skill and expertise of individual Directors.

(d) Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's financial and corporate reporting, risk management and compliance structures and external functions.

The Committee comprises

- (i) James Palmer (Chair);
- (ii) Greg Nichols; and
- (iii) Kate Carnell AO.

The Audit and Risk Committee Charter sets out:

- the composition of the committee, including that the committee must comprise:
 - only Non-Executive Directors;
 - a majority of independent Directors of the Company;
 - an independent chair, who is not chair of the Board; and
 - a minimum of three (3) members.
- the committee's ability to have access to employees, management, regulatory authorities and auditors (internal and external), and the right to seek explanations and additional information for the purposes of carrying out its responsibilities;
- that the committee may seek the advice of independent advisers on any matter relating to the responsibilities and duties of the committee; and
- the committee's key responsibilities and functions being to:
 - oversee the Company's relationship with its external and internal auditors and audit functions generally;
 - oversee the preparation of financial statements and reports;

- oversee the preparation of the Company’s financial controls and systems;
- manage the process of identification of risk and the management of risk strategies; and
- assist the Board with discharging its responsibilities in relation to the entry into, approval or disclosure of related-party transactions (if any).

(e) Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to make recommendations to the Board on remuneration packages and policies in respect of Directors and senior management of the Company, and to ensure that the remuneration packages and policies adopted by the Board are consistent with the strategic objectives of the Board.

The committee comprises

- (i) Sophie Karzis (Chair);
- (ii) Kate Carnell AO;
- (iii) Greg Nichols; and
- (iv) James Palmer.

The Nomination and Remuneration Charter sets out:

- the composition of the committee, including that the committee must comprise:
 - a minimum of three (3) members a majority of whom are independent Non-Executive Directors; and
 - an independent Director of the Company as Chair;
- that the committee may seek the advice of independent advisers on any matter relating to the responsibilities and duties of the committee; and
- the committee’s key responsibilities and functions being to:
 - assist the Board with developing a skills matrix for the Board, setting out the mix of skills and diversity required for Board membership;
 - develop criteria for Board membership and identify specific individuals for nomination;
 - assess and review the effectiveness of the Diversity Policy;
 - review and make recommendations to the Board on the Company’s remuneration framework, remuneration packages and policies that apply to senior executives and Directors;
 - review and make recommendations to the Board on the equity-based remuneration plans available to the executive team and employees;
 - ensure that the Company’s remuneration packages and policies attract, retain and motivate high-calibre executives and employees; and
 - establish review processes for the performance of Directors, Board committees and the Board as a whole and implement those processes.

(f) Corporate governance policies

(i) Securities Trading Policy

The Company has adopted a Securities Trading Policy to:

- ensure that all Directors, employees and contractors of the Company (and their associates) are aware of the Australian insider trading laws as they apply to trading in securities of the Company; and
- protect the reputation of the Company and its Directors and employees by seeking to avoid the possibility that misconceptions, misunderstandings or suspicions might arise as a result of trading by Directors and others who may be, or may be perceived to be, in possession of inside information.

The policy seeks to achieve its objectives by setting certain parameters and restrictions on the trading of securities by Directors, key management personnel and other specified employees (**Restricted Persons**).

The policy provides an explanation of insider trading and what trading is prohibited by the Corporations Act. In addition, the policy also provides additional procedures that must be followed by Restricted Persons in relation to trading in the Company's securities. These procedures include:

- prohibitions on trading during any of the following blackout periods (except in exceptional circumstances with approval):
 - the period each year from the close of trading at the end of the full financial year until the next trading date following the announcement to ASX of the full-year results;
 - the period each year from the close of trading at the end of the financial half-year until the next trading day following the announcement of half-yearly results; and
 - any other period that the Company specifies from time to time;
- procedures for obtaining prior clearance for trading outside the blackout periods;
- prohibitions on entering into financing arrangements in respect of the Company's securities, unless certain requirements are adhered to;
- prohibitions on short-selling of the Company's securities; and
- prohibitions on entering into hedging arrangements.

The policy also provides that Restricted Persons must ensure that any trading by their close family members or closely connected entities also complies with the restrictions and procedures in the policy.

(ii) Continuous Disclosure Policy

As an entity listed on the ASX, the Company will be subject to the continuous disclosure requirements set out in ASX Listing Rules and the Corporations Act. Subject to certain exceptions contained in the ASX Listing Rules, the Company will be required to disclose to the ASX information relating to the Company, which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The purpose of the Continuous Disclosure Policy adopted by the Company is to promote awareness of the Company's continuous disclosure requirements and to establish policies and procedures to assist the Directors and management with ensuring compliance with those requirements.

The policy also:

- provides reporting protocols and processes for determining whether information should be disclosed to the market; and
- designates responsibility for managing and monitoring the Company's compliance with its continuous disclosure obligations.

All relevant information provided to ASX will be posted on the Company's website after ASX confirms the appropriate announcement has been made.

The policy also sets out how the Company intends to communicate with Shareholders to ensure that Shareholders have sufficient information to assess the performance of the Company and are informed of all major developments affecting the Company.

The policy sets out:

- the manner in which Company announcements are to be made (including that they must be made in a timely manner, easily accessible and readable);
- the regular communications to be received by Shareholders from the Company;
- the manner in which the Company's website is to be used to communicate with Shareholders; and
- the manner in which meetings of Shareholders are to be conducted.

In addition, the Company is required by law to communicate to Shareholders through the lodgement of all relevant financial and other information with ASX and, in some instances, mailing information to Shareholders.

(iii) Code of Conduct

The Company has approved the adoption of a formal Code of Conduct that outlines the manner in which the Company expects its Directors and employees to behave and conduct business in the workplace. The Code of Conduct applies to Directors and all employees of the Company.

The objectives of the Code of Conduct are to:

- provide a benchmark for ethical and professional behaviour;
- promote healthy, respectful and positive working environments for all employees and Directors;
- ensure that there is compliance with laws, regulations, policies and procedures relevant to the Company;
- ensure there are appropriate mechanisms and procedures in place for employees and Directors to report breaches of the Code of Conduct; and
- ensure that employees and Directors are aware of the consequences for breaching the Code of Conduct.

The Code of Conduct is available at the Company's website.

(iv) Statement of Values

To reinforce the Company's values, which underpin how the Company undertakes its business, it has adopted a Statement of Values. It outlines the norms and behaviours expected of the Company's Directors, senior leaders, staff and anyone the Company seeks to work with.

The Company's values and behaviours are:

- integrity;
- innovation;
- agility;
- commitment to our people; and
- excellence in client service.

(v) Diversity Policy

The Company recognises the importance of diversity and inclusion in the business. In this regard, the Company has adopted the Diversity Policy to ensure that the Company's commitment to diversity and inclusion is clearly documented.

The policy recognises that diversity not only includes gender diversity but also includes other matters, such as age, ethnicity and religious and cultural background and sexual orientation. The policy includes a commitment to diversifying recruitment and merit-based appointments, as well as recognition that the Company will not tolerate workplace discrimination, harassment, vilification or victimisation.

The policy also includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess the Company's annual achievement of those objectives. These objectives and the progress in achieving them will be disclosed in the Company's annual corporate governance statement, along with the respective proportions of men and women on the Board and in senior executive positions throughout the Company.

(vi) Occupational Health & Safety Policy

The Company is committed to providing and maintaining a safe working environment, which minimises risks to the health of the Company's Directors, employees, contractors, consultants, clients or visitors.

The Company has adopted the Occupational Health & Safety Policy, the objectives of the policy are to ensure:

- the Company is able to provide and maintain, as far as is reasonably practicable, a safe working environment without risks to the health of the Company's Directors, employees, contractors, consultants, clients or visitors;
- the Company's Directors, employees, contractors and consultants are aware of their various duties and responsibilities to ensure a safe working environment;

- there are appropriate mechanisms and procedures for the notification of incidents that have, or may have, caused harm to the health and safety of any of the Company’s Directors, employees, contractors, consultants, clients or visitors;
- the appropriate management of health and safety incidents, which may occur in the work environment; and
- employees of the Company are aware of the consequences for breaches of the Occupational Health & Safety Policy.

(vii) *Anti-bribery and Corruption Policy*

The Company has adopted an Anti-bribery and Corruption Policy. The policy seeks to ensure the Company’s officers, Directors, associates, contractors, consultants and staff:

- do not give or accept gifts and/or benefits that will compromise their integrity or appear to cause a conflict of interest;
- do not give or receive payments of secret commissions;
- are educated on what constitutes an acceptable or unacceptable gift and/or benefit;
- promote investor confidence in the integrity of the Company and its securities; and
- understand the process to be followed if there is a suspected breach of the policy.

The policy also explains key principles of bribery and corruption and the Company’s compliance process, including that the Board or a committee of the Board must be notified of all material breaches of the policy.

(viii) *Whistleblower Policy*

The Company has adopted a Whistleblower Policy. The purpose of the Whistleblower Policy is to promote and support a culture of honest and ethical behaviour and encourage disclosure of improper conduct.

Disclosures made under the policy can be made anonymously and will be treated in confidence. Where an individual makes a disclosure on reasonable grounds in accordance with the terms of the policy, the Company will act to protect them from any victimisation, adverse reaction or intimidation and must ensure that the person’s employment or engagement with the Company will not be disadvantaged as a result of the disclosure.

The policy sets out the manner in which the Company will investigate disclosures made under the policy and requires the Company to conduct investigations:

- in a timely and efficient manner;
- thoroughly, and in an impartial manner; and
- confidentially to protect the identity of the whistleblower.

The policy also specifies the role and responsibility of the Whistleblower Protection Officers who are responsible for the administration of the policy.

RACING AND SPORTS

7. Details of the Offer



7. Details of the Offer

7.1 The Offer

This Prospectus relates to the initial public offering of 9,333,334 Shares for issue by the Company and 10,000,000 Shares for sale by SaleCo at an Offer Price of \$1.50 per Share, and admission of the Company to the Official List of ASX.

The 19,333,334 Shares offered under this Prospectus will represent 42.6% of the Shares on issue at Completion.

At Completion, there will be a total of 45,391,918 Shares on issue. All Shares will rank equally with each other.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

(a) Structure of the Offer

The Offer comprises:

- the Retail Offer, consisting of the:
 - the Broker Firm Offer, which is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate; and
 - the Priority Offer, which is open to selected investors in Australia and certain other jurisdictions who have received a Priority Offer Invitation; and
- the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors in Australia and a number of other eligible jurisdictions.

Details of the Broker Firm Offer and the allocation policy under it are described in Section 7.3.

Details of the Priority Offer and the allocation policy under it are described in Section 7.4.

Details of the Institutional Offer and the allocation policy under it are described in Section 7.5.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker.

The Offer has been fully underwritten pursuant to an Underwriting Agreement under which Ord Minnett Limited has been appointed to arrange and act as lead manager, bookrunner and underwriter of the Offer. Further details in relation to the Underwriting Agreement are set out in Section 9.5.

(b) Purpose of the Offer and use of proceeds

The purpose of the Offer is to:

- provide the Company with access to capital markets to improve financial flexibility for growth;
- provide a liquid market for the Shares; and
- provide Existing Shareholders with an opportunity to realise all or part of their investment in the Company.

(c) Sources and uses of funds

The table below sets out the proposed use of funds from cash proceeds under the Offer (expected to be \$29.0 million). The aggregate estimated use of funds does not take into account the Company's ability to use existing cash reserves to support its business objectives and operations.

The use of funds remains subject to any intervening events and new circumstances, which may have the potential to affect the manner in which the funds are ultimately applied. The Board retains the right to vary the use of funds, acting in the best interest of the Company and Shareholders and as circumstances require.

Table 7.1: Offer sources and uses

Source	Amount (\$million)	%	Use of proceeds	Amount (\$million)	%
Offer proceeds from the issue of New Shares by the Company	14.0	48.3	Product development	3.0	21.4%
			Expansion of business, including management, sales and marketing and software development teams	1.4	9.6%
			International expansion (UK and US)	5.2	37.1%
			Working capital	1.6	11.3%
			Costs of the Offer ¹	2.9	20.5%
			Total from proceeds of issue of New Shares	14.0	100.0%
Offer proceeds received by SaleCo from the sale of Existing Shares by the Selling Shareholders	15.0	51.7	Payments to the Selling Shareholders	15.0	100%
TOTAL	29.0	100.0%	TOTAL	29.0	100.0%

Note:

1. Total expenses of the Offer have been estimated at \$3.0 million as disclosed in Section 1.8 and include non-cash expenses of \$0.1 million. The costs of the Offer, under Use of Proceeds, removes this non-cash element, reducing the cash-based cost of the Offer to \$2.9 million.

(d) Pro Forma Historical Statement of Financial Position

The Company's Pro Forma Historical Statement of Financial Position following Completion, including details of the pro forma adjustments is set out in Section 4.5.

(e) Capitalisation and indebtedness

The Company's capitalisation and indebtedness as at 30 June 2021, before and following Completion of the Offer, is set out in Section 4.5.

(f) Control implications of the Offer

The Directors do not expect any Shareholder to control (as defined by section 50AA of the Corporations Act) the Company on Completion.

(g) Profit statement

Each Director confirms that they have made enquiries and that nothing has come to their attention to suggest that the Company is not continuing to earn profit from its continuing operations up to the Prospectus Date.

(h) Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion, the Company will have sufficient funds available from cash proceeds of the Offer to fulfil the purposes of the Offer and meet the Company's stated business objectives.

(i) Capital structure**(i) Shares**

The details of the ownership of Shares as at the Prospectus Date and on Completion of the Offer are set out in the table below:

Table 7.2: Shareholding structure

Holder	Shares held at the Prospectus Date	Shares held at the Prospectus Date (%)	Shares to be sold by the Selling Shareholders pursuant to the Offer	Shares acquired under the Offer ¹	Shares held at Completion of the Offer	Shares held at Completion of the Offer (%)
Gary Crispe	16,695,124	46.3%	4,630,000	-	12,065,124	26.6%
Robert Vilkaitis	16,659,066	46.2%	4,620,000	-	12,039,066	26.5%
Wayne Crispe	2,704,394	7.5%	750,000	-	1,954,394	4.3%
Entain	-	-	-	4,666,667	4,666,667	10.3%
New Shareholders under the Offer (excluding Entain)	-	-	-	14,666,667	14,666,667	32.3%
Total²	36,058,584	100.0%	10,000,000	19,333,334	45,391,918	100.0%

Notes:

1. Assumes Existing Shareholders do not participate in the Offer.
2. Refer to Section 6.3 for further information on interests and benefits (including Directors' interests in Shares).

(ii) Options

As at the Prospectus Date, there are no Options on issue.

All Options that will be on issue on or around Completion are:

- (A) the 1,345,530 Ordinary Options issued under the LTIP Option Offer, the details of which are set out in Section 6.3(d)(iii); and
- (B) the 356,072 Ordinary Options issued to the Lead Manager, the details of which are set out in Section 9.5(a).

In addition to the above, approximately three (3) months after Listing, the Company intends to issue 66,667 Zero Priced Options under the ZEPO Offer to one or more senior executives of the Group, the details of which are set out in Section 6.3(d)(ii).

(iii) Performance Rights

As at the Prospectus Date, there are no Performance Rights on issue.

Approximately three (3) months after Listing, the Company intends to issue 301,284 Performance Rights under the LTIP Performance Rights Offer to select senior executives and key employees of the Group, the details of which are set out in Section 6.3(d)(iv). If all of the Performance Rights vest and the underlying Shares are issued, based on the issued capital of the Company at Completion, the dilutionary impact of the issuance on Shareholders will be 0.66% (disregarding the impact of the exercise of any Options).

7.2 Terms and conditions of the Offer

Table 7.3: Offer terms and conditions

Topic	Summary
What type of security is being offered?	Shares (being fully paid ordinary shares in the capital of the Company).
What are the rights and liabilities attached to the Shares?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.11.

Topic	Summary
What consideration is payable for each Share?	The Offer Price is \$1.50 per Share.
What is the Offer Period?	<p>The key dates, including details of the Offer, are set out in the Key Dates Section on page 6 of this Prospectus.</p> <p>No Shares will be issued or sold on the basis of this Prospectus after the Expiry Date.</p> <p>The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Melbourne time.</p>
What are the cash proceeds to be raised?	Approximately \$29.0 million will be raised if the Offer proceeds, comprising \$14.0 million from the issue of New Shares by the Company, and \$15.0 million for the sale of Existing Shares by SaleCo on behalf of Existing Shareholders who sell their Shares.
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Underwriter.
What is the minimum and maximum Application size under the Offer?	<p>Institutional Offer</p> <p>There is no minimum or maximum value of Shares that may be applied for under the Institutional Offer.</p> <p>Broker Firm Offer</p> <p>The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Company, in conjunction with the Lead Manager, reserves the right to treat any Applications in the Broker Firm Offer that are from persons whom the Company believes may be Institutional Investors as Applications in the Institutional Offer, or to reject the Applications. The Company, in conjunction with the Lead Manager, also reserves the right to aggregate any Applications that the Company believes may be Applications from the same person.</p> <p>Priority Offer</p> <p>There is no minimum or maximum value of Shares that may be applied for under the Priority Offer.</p>
What is the allocation policy?	<p>The allocation of Shares between the Retail Offer and the Institutional Offer was determined by the Company, SaleCo and the Lead Manager. The allocation of Shares among Applicants in the Institutional Offer was determined by the Company, SaleCo and the Lead Manager.</p> <p>For Broker Firm Applicants, the relevant Broker will decide as to how they allocate Shares among their retail clients.</p> <p>Allocations under the Priority Offer will be at the absolute discretion of the Company.</p>
When will I receive confirmation that my Application has been successful?	It is expected that the initial holding statements will be dispatched by standard post on or about Friday, 19 November 2021.
Will the Shares be listed on ASX?	<p>The Company will, within seven (7) days of the Prospectus Date, apply to ASX for admission to the Official List and for quotation of Shares on ASX (which is expected to be under ASX code RTH).</p> <p>Completion of the Offer is conditional on ASX approving the Company's listing application. If approval is not given within three (3) months after the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>

Topic	Summary
Is the Offer conditional?	<p>Yes. Completion of the Offer is conditional on:</p> <ul style="list-style-type: none"> ASX's approval of the Company's application for admission to the Official List and ASX agreeing to quote the Shares on the ASX; and Settlement in respect of the allotment of Shares in accordance with the Underwriting Agreement.
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on ASX will commence on Tuesday, 23 November 2021 on a normal settlement basis.</p> <p>It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. Applicants will be able to confirm their allocations by telephoning the Offer Information Line on 1800 774 759 between 8.30 am and 5.30 pm (Melbourne time) Monday to Friday (excluding public holidays).</p> <p>Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, SaleCo, the Share Registry, the Underwriter and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line or otherwise.</p>
Are there any escrow arrangements?	Yes. Details of the escrow arrangements are set out in Section 9.8.
Has any ASIC relief of ASX waiver been sought, obtained or been relied on?	Yes. Details are set out in Section 9.9.
Are there any tax considerations?	Refer to Section 9.12. The tax consequences of any investment in Shares will depend on an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest in the Company.
Is there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on subscription or acquisition of Shares under the Offer.
What should you do with any enquiries?	<p>All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1800 774 759 (within Australia) or +61 1800 774 759 (outside Australia) from 8.30 am until 5.30 pm (Melbourne time), Monday to Friday (excluding public holidays) during the Offer Period.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, lawyer, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</p>

7.3 Broker Firm Offer

(a) Who may apply

The Broker Firm Offer is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate in the Offer under this Prospectus.

If you have received an invitation to participate from your Broker, you will be treated as eligible to become a Broker Firm Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer.

(b) How to apply

If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Application Form and for payment instructions. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

Broker Firm Applicants should contact their Broker to request a Prospectus and Application Form or visit <https://events.miraqle.com/ras-ipo> to download a copy. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00 pm (Melbourne time) on the Closing Date (being Friday, 12 November 2021) or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your invitation to participate. Broker Firm Applicants must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement Prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application size under the Broker Firm Offer is as directed by the Applicant's Broker. There is no maximum value of Shares that may be applied for under the Broker Firm Offer.

The Company, SaleCo and the Lead Manager reserve the right to aggregate any Applications that they believe may be from the same person or reject or scale back any Applications in the Broker Firm Offer at their absolute discretion. Any amount applied for in excess of the amount allocated to you, will be refunded by your Broker in full (without interest).

The Company, SaleCo and the Lead Manager may determine a person to be eligible to participate in the Broker Firm Offer and may amend or waive the Broker Firm Offer application procedures or requirements, in their discretion in compliance with applicable laws.

The Company, SaleCo, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9.00 am (Melbourne time) on the Opening Date (being Thursday, 4 November 2021) and is expected to close at 5.00 pm (Melbourne time) on the Closing Date (being Friday, 12 November 2021).

The Company, SaleCo and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications. The Offer may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier Closing Date. Broker Firm Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

(c) Payment methods

Broker Firm Applicants must pay their Application Monies in accordance with the instructions received from their Broker.

(d) Allocation policy under Broker Firm Offer

The basis of allocation of Shares under the Offer was determined by the Company, SaleCo and the Lead Manager. Shares that are allocated to Brokers for allocation to their retail clients will be issued to the Broker Firm Applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Lead Manager to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company, SaleCo or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

(e) Acceptances of Applications

An Application in the Broker Firm Offer is an offer by you to the Company and SaleCo to apply for the number of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by a Broker Firm Applicant is irrevocable.

An Application may be accepted in respect of the full number of Shares specified in the Application Form or any amount lower than that specified in the Application Form, without further notice to the Broker Firm Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

The Lead Manager, in agreement with the Company and SaleCo, reserves the right to reject any Application that is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by a Broker Firm Applicant in completing their Application.

7.4 The Priority Offer

(a) Who may apply

The Priority Offer is open to select investors in Australia and certain other jurisdictions nominated by the Company who receive a personalised letter from the Company inviting them to apply for Shares under the Priority Offer.

(b) How to apply

If you have received a personalised Priority Offer Invitation and wish to apply for Shares, you should follow the instructions on your personalised Priority Offer Invitation.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement Prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

There is no minimum or maximum value of Shares that may be applied for under the Priority Offer.

The Company, SaleCo and the Lead Manager reserve the right to reject or scale back any Applications in the Priority Offer at their absolute discretion. Priority Offer Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

The Company, SaleCo and the Lead Manager may amend or waive the procedures or requirements of Applications under the Priority Offer at their discretion in compliance with applicable laws.

The Priority Offer opens at 9.00 am (Melbourne time) on the Opening Date (being Thursday, 4 November 2021) and is expected to close at 5.00 pm (Melbourne time) on the Closing Date (being Friday, 12 November 2021).

The Company, SaleCo and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Company, SaleCo and the Lead Manager take no responsibility for any failure to receive Application Monies before the close of the Offer Period arising as a result of, among other things, delays in processing of payments by financial institutions. Priority Offer Applicants are therefore encouraged to submit their Applications as early as possible.

(c) Payment methods

Priority Offer Applicants must pay their Application Monies in accordance with the instructions on the Application Form and their Priority Offer Invitation.

(d) Allocation policy under Priority Offer

Allocations under the Priority Offer will be at the absolute discretion of the Company.

(e) Acceptances of Applications

An Application in the Priority Offer is an offer by a Priority Offer Applicant to the Company and SaleCo to apply for the number of Shares specified in the Priority Offer Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Priority Offer Invitation. To the extent permitted by law, an Application by a Priority Offer Applicant is irrevocable.

An Application may be accepted in respect of the full number of Shares specified in the Application Form or any amount lower than that specified in the Application Form, without further notice to the Priority Offer Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

The Lead Manager, in agreement with the Company and SaleCo, reserves the right to reject any Application that is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Priority Offer, or to waive or correct any errors made by a Priority Offer Applicant in completing their Application.

7.5 Institutional Offer

(a) Who may apply

The Company and the Lead Manager have invited certain Institutional Investors in Australia and other eligible foreign jurisdictions to bid for Shares in the Institutional Offer.

(b) Allocation policy under the Institutional Offer

The allocation of Shares among bidders in the Institutional Offer was determined by the Lead Manager in agreement with the Company and SaleCo. The Lead Manager, the Company and SaleCo have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer will be advised of their allocation of Shares, if any, by the Lead Manager.

The allocation policy was influenced by a number of factors including:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following Listing on ASX;
- the Company's desire to establish a wide spread of institutional Shareholders;
- the overall level of demand under the Broker Firm Offer, Priority Offer and the Institutional Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long-term Shareholders; and
- any other factors that the Lead Manager, the Company and SaleCo considered appropriate.

As described in Section 3.4, Entain has agreed to make an equity investment into the Company by subscribing for Shares under the Institutional Offer which will give Entain a Shareholding of 10.3% (on an undiluted basis) at Completion.

Entain has entered into a standstill deed under which Entain has undertaken to the Company that it (and its associates) will not, until the earlier of the date that is 6 months after Listing and the date that a control transaction relating to the Company is publicly announced:

- acquire any securities of the Company or any option or other right to acquire securities of the Company, where the acquisition would give Entain or an associate of Entain a Relevant Interest in more than 15% of the Company;
- enter into any arrangements in relation to the Company or any securities of the Company that results in Entain acquiring a Relevant Interest of more than 15% in the securities of the Company, or becoming an associate of a person that holds a Relevant Interest in more than 15% of the securities of the Company;
- enter into any agreement or arrangement that confers rights in relation to securities of the Company affording Entain or its associates an economic exposure to the Company or to movements in the share price of those securities;
- solicit proxies from shareholders of the Company;
- announce an intention to do any of the things above; or
- advise, assist, induce, or encourage any other person to do any of the things above.

The above restrictions do not prevent Entain or its associates from doing any of the things referred to above:

- if a third party acquires a legal, beneficial or economic interest in, or control of, 20% or more of the issued share capital in the Company, obtains or starts to have a Relevant Interest in, or a right to acquire a legal, beneficial or economic interest in, or control of, 20% or more of the issued share capital in the Company;

- in connection with a takeover bid by Entain or an associate of Entain for all or some of the ordinary shares of the Company (other than those held by Entain or an associate of Entain) made in accordance with the Corporations Act;
- in connection with a scheme of arrangement under the Corporations Act for the acquisition by Entain or an associate of Entain of all or some of the securities or assets in the Company (other than those held by Entain or an associate of Entain);
- pursuant to participation in a pro-rata entitlement offer to the extent of its entitlement; or
- otherwise with the prior consent of the Company, including in connection with a secondary capital raising where it has received an allocation from the Company.

The standstill arrangements will also cease in the event that either Gary Crispe or Robert Vilkaitis or any of their associates increase their voting power in the Company from a starting point that is equal to their voting power upon Listing.

7.6 Underwriting arrangement

The Offer is fully underwritten by the Underwriter.

The Underwriter, the Company and SaleCo have entered into the Underwriting Agreement pursuant to which the Underwriter agrees, subject to certain conditions and termination events, to underwrite Applications for all Shares under the Offer. The Underwriting Agreement sets out a number of circumstances under which the Underwriter may terminate the agreement and its underwriting obligations.

A summary of certain terms of the agreement and underwriting arrangements, including the termination provisions, is set out in Section 9.5.

7.7 Disposal restrictions on Shares

Each of the Escrowed Shareholders has entered into Voluntary Escrow Deeds with the Company under which the Escrowed Shareholders will be restricted from dealing with their Escrowed Shares. The Voluntary Escrow Deeds do not prevent the Escrowed Shareholders from exercising their voting entitlements or any rights to receive dividends and distributions or participate in any rights issue or bonus issues.

Further details relating to the Voluntary Escrow Deeds are set out in Section 9.8.

7.8 Restrictions on distribution

(a) General

No action has been taken to register or qualify this Prospectus, the Shares, the Offer or otherwise to permit a public offering of Shares in any jurisdiction outside of Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside of Australia, unless it has attached to it the selling restrictions in the jurisdictions outside Australia; and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

(b) Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(c) New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**).

The Offer of Shares in this document are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(d) Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

7.9 Discretion regarding the Offer

The Company and SaleCo may withdraw the Offer at any time before the issue or transfer of Shares to Successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company, SaleCo and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application or allocate to any Applicant fewer Shares than those applied for.

7.10 ASX listing, registers and holding statements

(a) Application to ASX for listing of the Company and quotation of Shares

The Company will apply within seven (7) days after the Prospectus Date for admission to the Official List and for quotation of the Shares on ASX. The Company's expected ASX code will be RTH.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription or purchase.

If approval is not granted for the official quotation of the Shares on ASX within three (3) months after the Prospectus Date (or any later date permitted by law), all Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with ASX Listing Rules.

(b) CHESS and issuer-sponsored holdings

The Company will apply to participate in ASX's CHESS and will comply with ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer-sponsored subregister. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS register. All other Shares will be registered on the issuer-sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer-sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer-sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer-sponsored statements.

(c) Normal settlement trading and selling Shares on market

It is expected that the Shares will commence trading on ASX on or about Tuesday, 23 November 2021, on a normal settlement basis.

It is expected that the initial holding statements will be dispatched by standard post on or about Friday, 19 November 2021. It is the responsibility of each person who trades in the Shares to confirm their holding before trading in the Shares. Applicants will be able to confirm their allocations by telephoning the Offer Information Line on 1800 774 759 between 8.30 am and 5.30 pm (Melbourne time) Monday to Friday (excluding public holidays).

If you sell the Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Share Registry, the Underwriter and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, if you sell the Shares before receiving your holding statement, even if you obtained details of your holding from the Company's Offer Information Line or confirmed your firm allocation through a Broker.

7.11 Rights attaching to Shares

Rights attaching to the Shares arise from the Corporations Act, the ASX Listing Rules and the Company's Constitution.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List of the ASX.

(a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote and the resolution will be decided in the negative.

(b) Meetings of members

Each Shareholder is entitled to receive notice of and attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

(c) Hybrid meetings

The Company is permitted to hold hybrid meetings, being general meetings conducted from a physical location in combination with participation from other physical or virtual locations via electronic facilities. Directors may vary a notice of a hybrid meeting after it has been sent to Shareholders if Directors decide that it is impracticable or unreasonable to hold the hybrid meeting at the time and using the electronic facility stated in the notice of the hybrid meeting.

The chairperson of the hybrid meeting must be satisfied that adequate facilities are available throughout the hybrid meeting to ensure that Shareholders attending by all means are able to participate in the business for which the hybrid meeting has been convened.

(d) Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date, for a dividend and the timing and method of payment.

(e) Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Share, Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act and ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(f) Issue of further Shares

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

(g) Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

(h) Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. An unmarketable parcel of Shares is defined in the ASX Listing Rules and is generally, a holding of Shares with a market value of less than \$500.

(i) Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid.

These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted or the date those rules were last renewed.

(j) Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under that section, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- (i) with the consent in writing of the holders of 75% of the issued shares included in that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(k) Directors – appointment and removal

Under the Constitution, the Board must comprise a minimum of three (3) Directors and a maximum fixed by the Directors from time to time, but not exceeding ten (10) Directors. Directors are elected or re-elected at annual general meetings of the Company.

No Director (excluding the Managing Director) may hold office without re-election for a period in excess of three years, or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected, whichever is longer. The Board may also appoint any eligible person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of the Company following their appointment.

(l) Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote and the resolution will be decided in the negative.

(m) Directors – remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Director. However, the total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by the Company in a general meeting. The remuneration of a Director must not include a commission on, or a percentage of, operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in Section 6.3(a)(ii). Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors may be paid for all travelling and other expenses properly incurred by them in connection with the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. If a Director performs extra services in connection with the affairs of the Company, the Directors may arrange for a special remuneration to be paid.

The current remuneration of Directors is discussed in Sections 6.3(a)(ii) and 6.3(c).

(n) Powers and duties of Directors

The Directors are responsible for managing the business of the Company and may exercise to the exclusion of the Company in a general meeting all the powers of the Company, which are not required by the Corporations Act, the Constitution or the ASX Listing Rules, to be exercised by the Company in a general meeting.

(o) Indemnities

The Company may, to the extent permitted by law, indemnify each Director and executive officer of the Company on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or of a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for a contract insuring each Director and executive officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including for negligence or for reasonable costs and expenses incurred by that person in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

(p) Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

(q) Shareholder liability

As the Shares offered under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(r) Ranking of Shares

As at the Prospectus Date, all Shares on issue in the Company are of the same class and rank equally in all respects. Furthermore, the Shares offered under this Prospectus are fully paid ordinary shares and will therefore rank equally in all respect with the existing fully paid ordinary Shares in the Company.

(s) Restricted Securities

A holder of Restricted Securities (as defined in the ASX Listing Rules) must comply with the requirements imposed by the ASX Listing Rules in respect of Restricted Securities.

(t) Share buy-back

Subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules, the Company may buy back Shares on terms and at times determined by the Board.

(u) Preference shares

The Company may issue preference shares with the rights attaching to preference shares as set out in the Constitution, including preference shares that are subject to redemption or conversion to Shares. There are no preference shares on issue as at the Prospectus Date.

(v) Reduction of share capital

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Company may make any reduction or alteration to its share capital in any way permissible under the Corporations Act.

(w) Dividend reinvestment plan

The Constitution permits the Directors to implement, on the terms and conditions they think fit, a dividend reinvestment plan under which any Shareholder or any class of Shareholders may elect that dividends payable by the Company be reinvested by a subscription for Shares in the Company.

(x) Incentive plans

The Directors may implement an incentive plan for officers or employees of the Company on such terms and conditions as they think fit. Further details about the Company's LTIP are contained in Section 6.3(d).

7.12 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and be bound by the terms of the Constitution and the terms of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) included in or accompanying the Application Form and having read them in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant, if a natural person, is over 18 years of age;
- acknowledged that, once the Company or Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to be allocated the number of Shares applied for (or a lower number allocated in a way described in this Prospectus) or no Shares at all;
- authorised the Company and the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant necessary for Shares to be allocated to the Applicant, including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends or that dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant, given the investment objectives, financial situation or particular needs of the Applicant;
- declared that the Applicant is a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in circumstances prescribed in this Prospectus; and
- acknowledged and agreed that if the Listing does not occur for any reason, the Offer will not proceed.

The Applicant(s) is/are be taken to have represented and warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of the United States and may not be offered, sold or resold in the United States;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside of Australia.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

RACING^{AND}SPORTS

8. Independent Limited Assurance Report



27 October 2021

The Directors
RAS Technology Holdings Limited
Registered office:
C/- JM Corporate Services,
Level 21, 459 Collins Street,
Melbourne VIC 3073

The Directors
RAS Technology Holdings SaleCo Limited
Registered office:
C/- RSM, Equinox Building 4
Level 2, 70 Kent St
Deakin ACT 2600

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE INDEPENDENT LIMITED ASSURANCE REPORT ON RAS TECHNOLOGY HOLDINGS LIMITED

INTRODUCTION

RAS Technology Holdings Limited ACN 650 066 158 (**RAS** or **Company**) and RAS Technology Holdings SaleCo Limited ACN 654 574 786 (**SaleCo**), has authorised the issue of a Prospectus dated on or about 27 October 2021 (**Prospectus**). The Prospectus is for an initial public offering (**IPO**) of shares in the Company for issue by the Company and sale by SaleCo and the associated listing of the Company's shares on the Australian Securities Exchange (**ASX**) (the **Offer**).

The Company and SaleCo have engaged Moore Australia (Vic) Pty Ltd (**Moore**) to report on Financial Information for inclusion in the Prospectus set out in Section 4 of the Prospectus.

Details concerning the reasons for the issue of the Prospectus are set out in Section 1 of the Prospectus.

Expressions and terms defined in the Prospectus have the same meaning in this Report, unless the context otherwise requires.

The nature of this Report is such that it can only be issued by an entity which holds an Australian financial services licence under the *Corporations Act 2001* (Cth) (**Corporations Act**). Moore holds the appropriate Australian Financial Services Licence under the Corporations Act. This Report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached as **Appendix 1** to this Report.

Each reference in this report to "you" is a reference to the Company and SaleCo collectively.

SCOPE

You have requested Moore to perform limited assurance procedures on the following **Financial Information** of the Company (the responsible party) included in Section 4 of the Prospectus:

- a) The **Historical Financial Information** comprising:
 - i. The audited Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income of the Company for the financial years ended 30 June 2019 (**FY19**), 2020 (**FY20**) and 2021 (**FY21**) (**Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income**).
 - ii. The audited Historical Consolidated Cash Flow Statements of the Company for the financial years ended FY19, FY20 and FY21 (**Historical Consolidated Cash Flow Statements**).
 - iii. The audited Historical Consolidated Statement of Financial Position of the Company as at 30 June 2021 (**Historical Consolidated Statement of Financial Position**).
- b) The **Pro Forma Historical Financial Information** comprising:
 - iv. The Pro Forma Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income of the Company for FY19, FY20 and FY21 (**Pro Forma Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income**). This shows the inclusion of revenue and costs from a related Singaporean entity and material costs associated with being a listed entity on a Pro Forma basis.
 - v. The Pro Forma Historical Consolidated Cash Flow Statements of the Company for FY19, FY20 and FY21 (**Pro Forma Historical Consolidated Cash Flow Statements**). This shows the inclusion of revenue and costs on the same basis as the Pro Forma Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income described above.
 - vi. The Pro Forma Historical Consolidated Statement of Financial Position as at 30 June 2021 for the Company on a consolidated basis assuming the Offer and certain other transactions and events as if they had occurred on that date (**Pro Forma Historical Consolidated Statement of Financial Position**).

The above are collectively referred to as the **Financial Information**. Also included within the Financial Information are the basis of preparation, balance sheet notes and the Company's accounting policies.

This Report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Moore has not been requested to provide an opinion on the long-term prospects for RAS, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder. Therefore, we have not done so, nor purport to do so.

Moore accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in Section 5 of the Prospectus and all investors should read the risks of investing in the Company.

BASIS OF PREPARATION

The basis of preparation of the Financial Information is described in Section 4.2 of the Prospectus, summarised as follows:

a) Historical Financial Information

The Historical Financial Information has been derived from the audited financial statements of the Company for FY19, FY20 and FY21 which have been prepared in accordance with Australian Accounting Standards (**AASB**) and the Corporations Act 2001.

Those financial statements were audited by Hardwickes Accountants in accordance with Australian Auditing Standards and who issued unmodified audit reports thereon.

We undertook limited assurance procedures on the compilation of the Historical Financial Information. Our procedures primarily included:

- Comparison and analytical procedures.
- Reconciling on a test basis the Historical Financial Information to Audited Annual Financial Statements of the Company.
- Reviewing the Auditors files.

b) Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been compiled from the Historical Financial Information described above together with the Directors adjustments as described in Sections 4.3, 4.4 and 4.5 of the Prospectus. The Pro Forma Historical Financial Information has been prepared in accordance with AASB's and the Company's stated accounting policies.

We undertook limited assurance procedures on the compilation of the Pro Forma Historical Financial Information. Our procedures primarily included:

- Comparison and analytical procedures.
- Reviewing the consistency of Pro Forma adjustments with other disclosures in the Prospectus.
- Examining on a test basis certain Pro Forma adjustments to supporting evidence.

The management discussion and analysis set out in Section 4.6 of the Prospectus has been reviewed by us with respect to internal consistency with Financial Information amounts set out in the other parts of Section 4. We have not, however, verified the completeness or adequacy of management's discussion and analysis as we consider this beyond the scope of our engagement.

DIRECTORS RESPONSIBILITY

The Directors of the Company are responsible for the preparation of the Financial Information, including the basis of preparation stated above and the selection and determination of Pro Forma adjustments made to the Historical Financial Information on which the Pro Forma Historical Financial Information is based.

The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

We have relied on representations from certain members of management of the Company, that all material information concerning the Company and the Financial Information have been disclosed to us

and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

OUR ETHICS AND QUALITY CONTROL

We have complied with relevant ethical requirements related to assurance engagements which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Australian Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with relevant ethical requirements and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express a conclusion on whether anything has come to our attention that the Financial Information has not been properly compiled, in all material respects, by RAS in accordance with the basis of preparation set out above.

We have conducted our engagement in accordance with the applicable Australian Auditing and Assurance Standard¹. This standard requires that we plan and perform procedures to obtain limited assurance about whether RAS has compiled, in all material respects, the Financial Information in accordance with the basis of preparation outlined above.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Financial Information, nor have we, in the course of this engagement, performed an audit or review of the Financial Information.

The purpose of the Pro Forma Historical Financial Information being included in a Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Company as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 June 2021 would have been as presented.

A limited assurance engagement is to report on whether anything has come to our attention that the Financial Information has not been properly compiled, in all material respects, on the basis of the applicable criteria. This involves performing limited procedures to assess whether the applicable criteria used by RAS in the compilation of the Financial Information does not provide a reasonable basis for presenting the Financial Information.

The procedures we performed were based on our professional judgement and included making enquiries, primarily of persons responsible for financial and accounting matters, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of supporting documentation and agreeing or reconciling with underlying records, reviewing the work papers and files of auditors, and other procedures.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement or audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement and substantially less in scope than an audit in accordance with Australian Auditing Standards. Accordingly, we do not express a reasonable assurance opinion about whether the compilation of the Financial Information has been

¹ ASAE 3420 – Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document.

prepared, in all material respects, in accordance with the applicable criteria. Furthermore, we do not express an audit opinion.

Our engagement also involved evaluating the overall presentation of the Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

LIMITED ASSURANCE CONCLUSIONS

Historical and Pro Forma Historical Financial Information

Based on our procedures, which is not an audit, nothing has come to our attention which causes us to believe that the Historical and Pro Forma Historical Financial Information comprising:

- a) Historical and Pro Forma Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income as described above for the periods then ended.
- b) Historical and Pro Forma Historical Consolidated Cash Flow Statements as described above for the periods then ended.
- c) Historical and Pro Forma Historical Consolidated Statement of Financial Position as described above for the period then ended.
- d) Notes to the Historical and Pro Forma Historical Consolidated Statements of Financial Position and Significant Accounting Policies of the Company.

is not prepared or presented fairly, in all material respects, by RAS in accordance with the basis of preparation as stated above.

RESTRICTION ON USE

Without modifying our conclusions, we note that the purpose of the Financial Information is for inclusion in the Prospectus to assist investors in assessing the Offer. As a result, the Financial Information may not be suitable for use for other purposes. We disclaim any assumption of responsibility for any reliance on this Report, or the Financial Information to which it relates, for any purposes other than for which it was prepared.

NOTICE TO INVESTORS OUTSIDE AUSTRALIA AND NEW ZEALAND

Under the terms of our engagement this Report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This Report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

CONSENT

Consent to the inclusion of this Limited Assurance Report in the Prospectus in the form and context in which it appears has been given. At the date of this Report, this consent has not been withdrawn.

LIABILITY

The liability of Moore is limited to the inclusion of this Report in the Prospectus. Moore makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

DECLARATION OF INTEREST

Neither Moore nor its directors or employees has any interest in the outcome of the Offer other than in the preparation of this Report and participation in the due diligence procedures for which normal professional fees will be received.

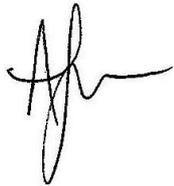
FINANCIAL SERVICES GUIDE

We have included our Financial Services Guide as Appendix 1 to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Moore Australia (VIC) Pty Ltd

Holder of Australian Financial Services Licence No: 247 262



ANDREW JOHNSON
Engagement Director - Audit
Authorised Representative



COLIN PRASAD
Director – Corporate Finance

APPENDIX 1 – MOORE FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 27 October 2021 and forms part of the Independent Limited Assurance Report.

Moore Australia (Vic) Pty Ltd (ABN 17 386 983 833) (**Moore**) holds Australian Financial Services Licence no. 247 262 authorising it to provide general financial product advice in relation to various financial products such as securities, interests in managed investment schemes, and superannuation to wholesale and retail clients. Moore has been engaged by RAS Technology Holdings Limited (**RAS** or the **Company**) and RAS Technology Holdings SaleCo Limited (**SaleCo**) to provide an Independent Limited Assurance Report (the **Report**) for inclusion within a Prospectus to issue on or about 27 October 2021.

The Corporations Act, 2001 requires Moore to provide this Financial Services Guide (**FSG**) in connection with its provision of this Report. Moore does not accept instructions from retail clients. Moore provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Moore does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

Moore is only responsible for this Report and this FSG. Moore is not responsible for any material publicly released by the Company in conjunction with this Report. Moore will not respond in any way that might involve any provision of financial product advice to any retail investor.

This Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of this Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

When providing reports in the form of this Report, Moore's client is the Company and SaleCo to which it provides the report. Moore receives its remuneration from the Company. For this Report and other services, Moore will receive a fee based upon normal professional rates plus reimbursement of out-of-pocket expenses from the Company. Directors or employees of Moore or other associated entities may receive partnership distributions, salary or wages from Moore. Moore and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products.

Moore has professional indemnity insurance cover for reports of this nature under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of Section 912B of the Corporations Act 2001.

Moore has internal complaints-handling mechanisms. If you have concerns regarding this Report, please contact us in writing to Mr Kevin Mullen, Moore Australia (Vic) Pty Ltd, Level 18, 530 Collins Street, Melbourne, Vic, 3000. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

RACING AND **SPORTS**

9. Additional Information

9. Additional Information

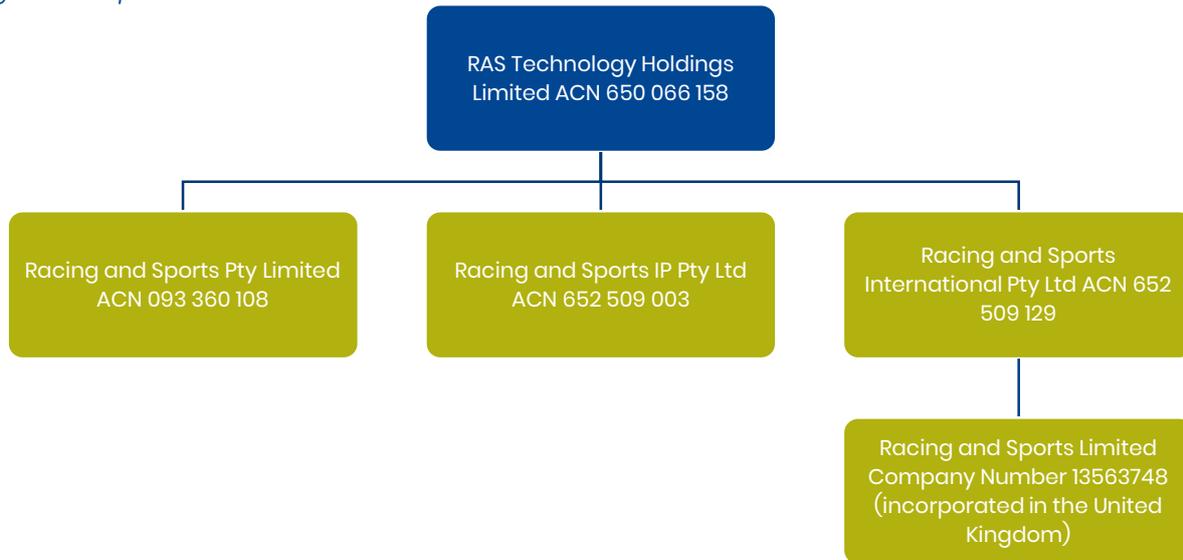
9.1 Incorporation

The Company was registered in the Australian Capital Territory on 10 May 2021, as a public company limited by shares.

9.2 Subsidiaries

The following diagram shows the corporate structure of the Group following Completion of the Offer:

Figure 9.1: Corporate structure



Wholly owned Subsidiaries	Place of incorporation	Description
Racing and Sports Pty Limited	Australia	Owns the key business assets and is the main operating entity of the Group.
Racing and Sports IP Pty Ltd	Australia	Established to become the intellectual property holding company of the Group.
Racing and Sports International Pty Ltd	Australia	Established to become the holding company of the Group's foreign Subsidiaries.
Racing and Sports Limited	United Kingdom	A recently incorporated entity established under the laws of the United Kingdom. As at the Prospectus Date, this entity does not conduct any operational activities.

In addition to the above wholly owned Subsidiaries, the Group is in the process of establishing an entity incorporated under the laws of Sri Lanka to be known as Racing and Sports (Private) Limited. As at the Prospectus Date, this entity does not conduct any operational activities.

9.3 Company tax status

The Company will be subject to tax at the Australian corporate tax rate.

9.4 Sale of Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Existing Shares by the Selling Shareholders. As at the Prospectus Date, a number of Existing Shareholders have committed to sell 10,000,000 Shares into the Offer via SaleCo.

The Existing Shareholders have entered into deed polls in favour of, and for the benefit of, SaleCo, under which they irrevocably offer to sell to SaleCo a specific portion of their Existing Shares, which will be sold by SaleCo into the Offer, free from encumbrances and third-party rights and conditional on the Selling Shareholders (with the exception of Wayne Crispe) entering into a Voluntary Escrow Deed (to the extent set out in Section 9.8), and ASX providing its approval that the Shares will be quoted on the ASX (which approval may be subject to usual and customary conditions).

The Existing Shares, which SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants at the Offer Price. The price payable by SaleCo for these Existing Shares is the Offer Price. The Company will bear the costs of the Offer (see Section 7.1(c)). The Company will also issue New Shares to Successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interest in and obligations under the Underwriting Agreement and the deed polls described above. The directors of SaleCo are Kate Carnell, Gary Crispe and Stephen Crispe who, in the case of Kate Carnell and Gary Crispe, are also directors of the Company. The Shareholders of SaleCo are Kate Carnell, Gary Crispe and Stephen Crispe. The Company has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of the costs of the Offer. The Company has indemnified SaleCo and the shareholders and officers of SaleCo for any loss which they may incur as a consequence of the Offer.

9.5 Underwriting Agreement

The Company, SaleCo and the Lead Manager have entered into an underwriting agreement dated 27 October 2021 (**Underwriting Agreement**) pursuant to which the Lead Manager has agreed to manage and underwrite the Offer on an exclusive basis.

(a) Commission, fees and expenses

Within 10 Business Days of Completion, the Company must pay the Lead Manager a combined selling fee, offer management fee and underwriting fee, equal to 2.50% of the first \$7,000,000 in gross proceeds received from Entain and otherwise 4.75% of the Offer Proceeds (which for the avoidance of doubt excludes the first \$7,000,000 in gross proceeds received from Entain).

In addition, within 10 Business Days of Completion, the Company must issue to the Lead Manager (or its nominee) 356,072 Ordinary Options on the terms set out in the table below (**Lead Manager Options**).

Term	Description
Grant date	Within 10 Business Days of Completion.
Quantum of grant	356,072 Ordinary Options Each Option represents a right to acquire one Share.
Issue price	Nil
Exercise price	\$1.95 per Option, being a 30% premium to the Offer Price.
Vesting conditions	The Lead Manager Options will vest on the date that is 12 months from the grant date.
Expiry	The Lead Manager Options will expire on the date that is 24 months from the grant date.
Exercise	<p>Subject to the applicable vesting condition having been satisfied, the Lead Manager Options may be exercised wholly or in part by the Lead Manager paying the applicable exercise price per option to the Company.</p> <p>On exercise of the options, the Lead Manager may opt not to provide payment of the exercise price of options by cash, but instead may be issued the number of Shares that are equal in value to the difference between the exercise price otherwise payable in relation to the options and the then market value of the Shares as at the time of exercise (with the number of Shares rounded down).</p> <p>The Company will apply to ASX to have the Shares issued pursuant to the exercise of the Lead Manager Options granted official quotation, and will ensure that a cleansing notice under s708A(5) of the Corporations Act is issued, or alternatively a cleansing prospectus under s708A(11) of the Corporations Act is issued, in respect of the Shares so that the Lead Manager is not prohibited from immediately selling the Shares.</p>

Voting rights	The Lead Manager Options will not give the Lead Manager any voting rights until the Lead Manager Options are exercised and the Lead Manager holds Shares.
Dividend rights	The Lead Manager Options will not give the Lead Manager any right to participate in any dividends until the Lead Manager Options are exercised and the Lead Manager holds Shares.
Participation rights	The Lead Manager Options do not carry any participation rights in new Share issues.
Non-transferable	The Lead Manager Options are not capable of being transferred, sold or encumbered.
Capital reorganisation	In the event of a reorganisation of the issued capital of the Company prior to the expiry date, the rights attaching to each Lead Manager Option will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
ASX Listing Rules	To the extent that the terms and conditions of the Lead Manager Options are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail.

The Company attributes a value of \$95,000 to the Lead Manager Options based on a trinomial option pricing model.

The Company is also required to reimburse the Lead Manager for out-of-pocket expenses incurred in relation to the provision of its services. These expenses include an amount for legal costs of up to \$45,000 in aggregate excluding GST.

(b) Unqualified termination events

The Lead Manager may at any time by notice given to the Company and to SaleCo immediately, without cost or liability to itself, terminate the Underwriting Agreement if any of the following events occur before Completion:

- (i) **(Offer Documentation)** the Lead Manager forms the view (acting reasonably) that any of the Offer Documentation does not comply with the Corporations Act or any other applicable legislation (including if any of the material is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive whether by inclusion or omission), or a matter required to be included is omitted from the Offer Documentation;
- (ii) **(Supplementary Prospectus)** the Company lodges a supplementary Prospectus or the Lead Manager forms the view (acting reasonably) that a supplementary Prospectus must be lodged with ASIC under the Corporations Act;
- (iii) **(index fall)** at any time the S&P/ASX 200 Indices falls to a level that is 87.5% or less of the level as at the close of trading on the last Business Day before the date of the Underwriting Agreement and closes at or below that 87.5% level on 2 consecutive Business Days;
- (iv) **(Voluntary Escrow Deed)** any Voluntary Escrow Deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- (v) **(Adverse change)** there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the Group (in so far as the position in relation to any entity in the Group affects the overall position of the Company);
- (vi) **(ASIC action)** ASIC:
 - (A) makes an order or interim order under section 739 of the Corporations Act concerning the Prospectus;
 - (B) applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer Documentation;
 - (C) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer Documentation under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth); or
 - (D) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against the Company or any of its officers, employees or agents in relation to the Offer or any Offer Documentation;

- (vii) (**Takeovers Panel**) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (viii) (**Offer force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government agency, which makes it illegal for the Lead Manager to satisfy a material obligation of the Underwriting Agreement, or to market, promote or settle the Offer;
- (ix) (**withdrawal of consent**)
 - (A) any person whose consent to the issue of the Prospectus or any supplementary Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary Prospectus withdraws such consent;
 - (B) any person gives a notice under section 733(3) of the Corporations Act; or
 - (C) any person (other than the Lead Manager) who has previously consented to the inclusion of their name or any statement in the Prospectus withdraws that consent;
- (x) (**withdrawal of Prospectus**) the Company withdraws the Prospectus or the Offer;
- (xi) (**offer of refund to investors**) any circumstance arises after lodgement of the Prospectus that results in the Company either repaying the money received from persons who have applied for Shares or offering persons who have applied for Shares an opportunity to withdraw their application for Shares and be repaid their application money;
- (xii) (**ASX approval**) ASX indicates to the Company or the Lead Manager that any necessary approval for the Company to list on ASX is not likely to be provided, or any such approval that has been provided is subsequently withdrawn;
- (xiii) (**ASIC and ASX Waivers**) any of the ASIC waivers or ASX waivers obtained by the Company to conduct the Offer are withdrawn, revoked or amended without the prior written approval of the Lead Manager;
- (xiv) (**Conduct**) the Company or SaleCo or any of their respective directors or officers (as those terms are defined in the Corporations Act) engages in any fraudulent, misleading or deceptive conduct or activity whether or not in connection with the Offer;
- (xv) (**section 730 notice**) a person gives a notice to the Company under section 730 of the Corporations Act;
- (xvi) (**Insolvency**) any member of the Group becomes insolvent, or an act occurs or an omission is made which may result in a member of the Group becoming insolvent;
- (xvii) (**Certificate not provided**) a Certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required;
- (xviii) (**Authorisation**) any authorisation, consent, concession, licence, permit, declaration, approval, exemption, notarisation or waiver which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Lead Manager;
- (xix) (**Future matters**) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in any Offer Documentation or publication is or becomes incapable of being met or, in the reasonable opinion of the Lead Manager, unlikely to be met in the projected timeframe;
- (xx) (**Timetable**) the timetable for the Offer is delayed for more than 2 Business Days without the prior written approval of the Lead Manager other than a delay caused solely by the Lead Manager, a delay agreed between the Company, SaleCo and the Lead Manager or a delay as a result of an extension of the exposure period by ASIC;
- (xxi) (**debt facilities**)
 - (A) a member of the Group breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a material adverse effect on the Group; or

- (B) an event of default, a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing or any other similar event occurs under or with respect to any such debt or financing arrangement or related documentation of a member of the Group;
- (xxii) **(Directors)**
- (A) a Director or SaleCo Director is charged with a criminal offence relating to any financial or corporate matter;
- (B) any government agency commences any public action against the Company or SaleCo or any of their respective directors or announces that it intends to take any such action; or
- (C) any Director of the Company or any SaleCo Director is disqualified under the Corporations Act from managing a corporation; or
- (xxiii) **(Sale Deed Poll)** the deed polls entered into by the Selling Shareholders in favour of SaleCo are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with.

(c) Qualified termination events

The Lead Manager may at any time by notice given to the Company immediately, without cost or liability to itself, terminate the Underwriting Agreement if any of the following events occur before Completion and the Lead Manager has reasonable grounds to believe that the event:

- has or is likely to have a material adverse effect on:
 - the success of the Offer, or on the ability of the Lead Manager to market or promote the Offer, or on the likely price at which the Shares will trade on ASX, or the willingness of investors to subscribe for, or settle obligations to subscribe for, the Shares; or
 - the condition, trading or financial position and performance, assets and liabilities, profits and losses, results, prospects, business or operations of the Company or any other member of the Group; or
- will, or is likely to, give rise to a liability of the Lead Manager under, or a contravention by the Lead Manager of, any applicable law:
 - (i) **(breach)** the Company or SaleCo fail to comply with any of their obligations under the Underwriting Agreement, or any representation or warranty by the Company or SaleCo in the Underwriting Agreement is or becomes incorrect;
 - (ii) **(New circumstance)** a new circumstance arises which is a matter adverse to investors in Shares and which would have been required by the Corporations Act to be included in the Offer Documentation had the new circumstance arisen before the Offer Documentation was given to ASIC or ASX (as applicable);
 - (iii) **(hostilities)** in respect of any one or more of Australia, the United States of America, any member state of the European Union, Afghanistan, Indonesia, Japan, Russia, the People's Republic of China, North Korea, South Korea or the Middle East:
 - (A) hostilities not presently existing commence (whether or not war has been declared);
 - (B) a major escalation in existing hostilities occurs (whether or not war has been declared);
 - (C) a declaration is made of a national emergency or war; or
 - (D) a terrorist act is perpetrated in any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
 - (iv) **(change in law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, or any State or Territory of Australia, the Reserve Bank of Australia, or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new law, policy or regulatory directive (other than a law, policy or regulatory directive which has been announced before the date of the Underwriting Agreement);

- (v) **(material adverse change in financial markets)** any of the following occurs:
 - (A) any material adverse change or disruption to the political conditions or financial markets of Australia, Japan, the United Kingdom, the United States of America or any member state of the European Union or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions;
 - (B) a general moratorium on commercial banking activities in Australia, the United States of America, Japan, any member state of the European Union or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (C) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is otherwise open for trading;
- (vi) **(COVID-19)**: the Lead Manager believes (acting reasonably) that an adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group has occurred as a direct or indirect result of the coronavirus disease 2019 (**COVID-19**) or the transmission of the severe acute respiratory syndrome coronavirus 2 (**SARS-CoV-2**). This includes, without limitation, an adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-CoV-2 at any of the Group's sites, or the temporary, complete or partial closure of or disruption to any of those sites due to an outbreak of COVID-19, a transmission of SARS-CoV-2, a direction of a governmental agency, or otherwise;
- (vii) **(Directors)** a change in the Directors occurs (other than in a manner described in the Prospectus), or a Director dies or becomes permanently incapacitated;
- (viii) **(error in due diligence materials)** it transpires that any of the due diligence materials provided to the Lead Manager in connection with the Offer was false, misleading or deceptive or that there was an omission from them;
- (ix) **(Contravention of constitution or applicable law)** a contravention by a member of the Group of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (x) **(litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any member of the Group, other than any claims disclosed in the Prospectus;
- (xi) **(investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a member of the Group;
- (xii) **(material contracts)** any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the Offer is:
 - (A) terminated, rescinded, altered or amended without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld); or
 - (B) found to be void or voidable;
- (xiii) **(unauthorised alterations)** without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld), the Company alters its share capital or the Constitution;
- (xiv) **(Certificate incorrect)** a Certificate is untrue, incorrect or misleading or deceptive in any material respect (including by omission); or
- (xv) **(Prescribed Occurrence)** a Prescribed Occurrence in respect of the Company occurs during the Offer period, other than as contemplated by the Underwriting Agreement.

(d) Representations, warranties and undertakings

The Underwriting Agreement contains customary representations, warranties and undertakings provided by the Company and SaleCo to the Lead Manager. The representations and warranties relate to matters, such as but not limited to its powers and capacities, its conduct (including in respect of its compliance with applicable laws and the ASX Listing Rules, business and status, due diligence and disclosure), the Offer Documentation, the information provided (including the Financial Information), insolvency, litigation and insurance.

The Company's undertakings include that it will not, during the 120-day period after Completion of the Offer, alter its capital structure or dispose of its business or property in whole or substantial part except as disclosed in the Prospectus or to the Lead Manager prior to entry into the Underwriting Agreement.

(e) Indemnity

The Company and SaleCo agrees to keep the Lead Manager and certain 'affiliated parties of the Lead Manager indemnified from losses suffered directly or indirectly in connection with the Offer or the Underwriting Agreement, subject to customary exclusions (including fraud, wilful misconduct or gross negligence of the indemnified party).

9.6 Transactions with related parties**(a) Employment arrangements**

- (i) Stephen Crispe, the son of Gary Crispe, is employed by the Company as its Chief Executive Officer. A summary of the key terms of Stephen's employment contract, including his entitlement to STI and LTI Awards, is set out in Section 6.3(c)(i).
- (ii) Angela Gunton, the daughter of Gary Crispe, is employed by the Company as its Head of Corporate Services and Joint Company Secretary and receives fixed annual remuneration (including superannuation) of \$160,000 (FTE 0.8). In connection with her employment, Angela will receive:
 - (A) a maximum STI award for FY2022 of up to 33% of her annual TFR with the same performance conditions as applicable to key management personnel, the details of which are set out in Section 6.3(c); and
 - (B) 35,557 Performance Rights under the LTIP Performance Rights Offer approximately three (3) months after Completion, the details of which are set out in Section 6.3(d)(iv). The Company attributes a total value of \$53,335.50 to these Performance Rights based on the Offer Price of \$1.50. The Board has elected to incentivise Angela Gunton by allowing her to be granted Performance Rights under the LTIP Performance Rights Offer in order to assist in her reward, retention and motivation, and also so that the Performance Rights are governed by the Plan Rules and other specific terms, such as the relevant performance conditions, which ensures that Angela's interests remain aligned with those of the Company and its Shareholders.

From Listing, the Company's ability to grant Awards to Angela under the LTIP will be subject to any Shareholder approval requirements under the ASX Listing Rules.

- (iv) Rosa Crispe, the daughter-in-law of Gary Crispe, is employed by the Company as an office manager and receives fixed annual remuneration (excluding superannuation) of \$49,659 (FTE 0.65).

The Board considers that these arrangements constitute reasonable remuneration and therefore Shareholder approval has not been sought. The Board does not consider that there are any risks associated with these related-party arrangements.

(b) Trenerry Street Lease

The Group is party to a lease agreement with an entity controlled by Gary Crispe and Robert Vilkaitis under which the Group leases office premises located at Units 4 and 5, 19–27 Trenerry Street, Weston ACT 2611 (**Trenerry Street Lease**). The annual rent payable by the Group under the Trenerry Street Lease is \$144,600 (plus GST).

The Trenerry Street Lease is due to expire on 1 November 2025 unless renewed. However, the parties have mutually agreed to surrender the Trenerry Street Lease with effect from 5 March 2022 subject to the Group complying with customary make-good obligations. There is no fee payable by the Group for the surrender of the Trenerry Street Lease.

Following the surrender of the Trenerry Street Lease, the Group intends to relocate to larger office premises under a lease arrangement with an unrelated third-party lessor.

(c) GRSBet

Racing and Sports is a party to two separate commercial agreements with GRSBet Pty Ltd (**GRSBet**), an entity controlled by Stephen Crispe, being:

- (i) a Technology Testing and Development Agreement; and
- (ii) Race Day Services and Data Agreement.

The material terms of each commercial agreement are summarised below.

The Technology Testing and Development Agreement sets out the terms on which Racing and Sports engages GRSBet to test and analyse the Group's newly developed software, technology and platforms in a live wagering environment, as directed by the Group from time to time. The term of the Technology Testing and Development Agreement is 12 months commencing from 1 December 2021 with automatic three-month extensions until terminated by either party on its terms. In consideration of the provision of the testing and development services, Racing and Sports will pay GRSBet a fee of \$180,000 (ex-GST) per year. GRSBet assumes all risk for the wagering operations, and Racing and Sports provides no warranties or indemnities in relation to the software, technology or platforms.

The Race Day Services and Data Agreement relates to the provision by Racing and Sports to GRSBet of live race-day updates as well as comprehensive form and analytics offerings of the last 10 starts, speed maps, ratings, jockey silks, tips, runner comments, race summaries and statistics for thoroughbred, harness and greyhound races across a number of jurisdictions. The term of the Race Day Services and Data Agreement is 12 months commencing from 1 December 2021 with automatic 12-month extensions until terminated by either party on its terms. In consideration of the provision of data, GRSBet will pay Racing and Sports a fee based on 3.5% of GRSBet's gross gaming revenues paid monthly in arrears.

Each of these agreements is on commercial and arm's length terms and Shareholder approval has not been sought. The Board does not consider that there are any risks associated with these related-party arrangements.

From Listing, the Audit and Risk Committee is responsible for assisting the Board with discharging its responsibilities in relation to the entry into, approval or disclosure of, transactions in which a member of the Group is a participant and in which parties related to the Company, including its executive officers, Directors and certain other persons who the Board determines may be considered related parties of the Company (for the purposes of Chapter 2E of the Corporations Act), have or will have a material direct or indirect interest.

Certain transactions with related parties will also be subject to Shareholder approval under the ASX Listing Rules.

9.7 Financing arrangements

Racing and Sports has entered into a facility arrangement with Australian and New Zealand Banking Group Limited (**ANZ**) comprising certain facilities with an aggregate facility limit of \$612,000 (**Facility**). Funding provided under the Facility will be used to, among other things, assist with head office improvements and support a rental bond under Racing and Sports' new office lease.

The Facility is guaranteed by the Company, and ANZ has general security over all the assets of the Company and Racing and Sports, which it has registered on the PPS Register.

The Facility contains certain representations, undertakings, events of default and review events, which are usual for facilities of this nature.

9.8 Voluntary escrow

Certain Existing Shareholders and Entain have entered into voluntary escrow arrangements in relation to their Shares. Under these arrangements, they will be restricted from dealing with those Shares for a certain Escrow Period, commencing from Listing until a certain period following Listing, as shown in the table below:

Shareholder	No. of Shares held on Completion of the Offer ¹	No. of Shares subject to voluntary escrow	% of Shareholder's Shares subject to voluntary escrow	% of total issued Shares on Completion subject to Voluntary Escrow	Escrow Period
Gary Crispe	12,065,124	12,065,124	100%	26.6%	The period commencing on the date that the Company is admitted to the Official List and ending 12 months afterwards
Robert Vilkaitis	12,039,066	12,039,066	100%	26.5%	
Entain	4,666,667	4,666,667	100%	10.3%	The period commencing on the date that the Company is admitted to the Official List and ending 6 months afterwards
Total	28,770,857	28,770,857		63.4%	

Note:

1. Assumes the Shareholder (with the exception of Entain) does not participate in the Offer. If a Shareholder (other than Entain) participates under the Offer, the Shares acquired under the Offer will not be subject to any escrow.

Each Escrowed Shareholder has entered into a voluntary escrow deed with the Company (**Voluntary Escrow Deed**) under which each of the Escrowed Shareholders will be restricted from disposing of their Shares for a period commencing on Listing and ending a certain period following Listing (**Escrowed Shares**). The Voluntary Escrow Deeds do not prevent the Escrowed Shareholders from exercising their voting entitlements or any rights to receive dividends and distributions or participate in any rights issue or bonus issue.

The Voluntary Escrow Deeds will prevent the Escrowed Shareholders from disposing of the Escrowed Shares until the end of the Escrow Period as set out in the table above.

There are limited circumstances in which the Escrowed Shares may dispose of their Escrowed Shares namely:

- Takeover** – to allow an Escrowed Shareholder to accept an offer under a takeover bid (including proportional takeover bids) in relation to its Escrowed Shares where holders of at least 50% of the Shares, which are the subject of the bid that are not held by the Escrowed Shareholders have accepted the takeover bid;
- Merger by way of scheme** – to allow the Escrowed Shares to be transferred or cancelled as part of an amalgamation, merger or restructure under a scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company;
- Buy-back or return of capital** – to allow the Escrowed Shares to be bought back pursuant to a buy-back, but only in proportion to the number of Escrowed Shares that are being bought back by the Company over the total number of Shares on issue and where the buy-back is available to all Shareholders of the Company on a pro-rata basis;
- Court order** – where required pursuant to a court order compelling any Escrowed Shares to be disposed of or a security interest granted over them;
- Security interest** – to grant an encumbrance over any or all Escrowed Securities to a genuine third-party financial institution as security for a loan, hedge or other financial accommodation provided that the financial institution agrees in writing to take or acquire the security interest subject to the terms of the Voluntary Escrow Deed; and
- Transfers to affiliates** – if the dealing constitutes a disposal of some or all of the Escrowed Shares to a company wholly owned by the Escrowed Shareholder, a trust in relation to which the relevant Escrowed Shareholder is the beneficiary, or an affiliate of a relevant Escrowed Shareholder, provided that the transferee also enters into an escrow deed with the Company in respect of those relevant Escrowed Shares on substantially the same terms as the Voluntary Escrow Deeds referred to in this Section 9.8, the controller of the Escrowed Shares retains its full economic interest in the affected Escrowed Shares and the transfer does not result in a change in the beneficial ownership of the Escrowed Shares.

The restriction on disposal is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any interest in the Escrowed Shares, creating any mortgage, charge, pledge, lien or other security interest over the Escrowed Shares, or doing any other thing in respect of the effective ownership and control of the Escrowed Shares.

In addition to the Escrowed Shares and as noted in Section 6.3(d)(ii) and Section 6.3(d)(iii), the Shares issued on conversion of the Zero Priced Options and the Tranche 1 Options will be subject to disposal restrictions under the terms of the Company's LTI Plan.

9.9 Regulatory relief

(a) ASIC exemptions and relief

The Company has relied on class relief granted by ASIC from section 734(2) of the Corporations Act in ASIC Corporations (Market Research and Roadshows) Instrument 2016/79, which allows companies to conduct limited market research and roadshow presentations in relation to offers that require a disclosure document.

The Company has relied on class relief granted by ASIC from compliance with section 734(2) of the Corporations Act in ASIC Corporations (IPO Communications) Instrument 2020/722, to allow the Company to communicate with its employees and securityholders in relation to the Offer on the terms of, and subject to, the conditions set out in the relief instrument.

The Company will rely on class relief granted by ASIC from section 606 of the Corporations Act in ASIC Class Order [CO 13/520], which allows the Company to not count a Relevant Interest over the Shares subject to the Voluntary Escrow Deeds on certain conditions, as well as a modification of section 671B of the Corporations Act to require the Company to make substantial holding disclosure of the Relevant Interest it would have acquired, but for the relief, as a result of the Voluntary Escrow Deeds.

(b) ASX confirmations and waivers

- (i) ASX has provided in-principle advice to the Company that the Company has a structure and operations acceptable to ASX for admission to the Official List for the purposes of ASX Listing Rule 1.1 (Condition 1).
- (ii) The Company has also applied for, and expects to receive, confirmation from ASX that the terms of the Performance Rights are acceptable for the purposes of ASX Listing Rules 1.1 (Condition 1), 6.1 and 12.5.
- (iii) The Company has also applied for, and expects to receive, waivers from ASX from:
 - (A) the admission requirement in ASX Listing Rule 1.1 (Condition 12) to allow the granting of Zero Priced Options and Performance Rights under the LTIP;
 - (B) the Shareholder approval requirement in ASX Listing Rule 10.14 and ASX Listing Rule 10.11 in relation to the grant and conversion of Performance Rights under the LTIP to Executive Director, Gary Crispe and related parties, Stephen Crispe and Angela Gunton; and
 - (C) the Shareholder approval requirement in ASX Listing Rule 10.11 in relation to the grant and conversion of the Performance Rights under the LTIP to substantial Shareholder, Robert Vilkaitis.

9.10 Ownership and selling restrictions

The sale and purchase of shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.10 contains a general description of these laws.

(a) Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) voting power in that company would increase from 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.

(b) Selling restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted in Section 7.8.

9.11 Substantial holders

It is expected that the following persons will have a 'substantial holding' (as defined in the Corporations Act) in the Company, following Completion of the Offer:

Holder	Shares	Substantial holding
RAS Technology Holdings Limited ¹	24,104,190	63.4%
Gary Crispe	12,065,124	26.6%
Robert Vilkaitis	12,039,066	26.5%
Entain	4,666,667	10.3%

Note:

- The Company does not actually hold any Shares. However, by virtue of entering into the Voluntary Escrow Deeds, the Company has a Relevant Interest in the Escrowed Shares. For the purposes of the takeover provisions in Chapter 6 of the Corporations Act, the Company is not deemed to have a Relevant Interest in the Escrowed Shares as the Company's Relevant Interest arising under the escrow arrangements in connection with the Offer are not to be counted in accordance with section 609 as modified by ASIC Class Order [CO 13/520].*

The above assumes no additional participation by the Shareholders in the Offer and does not take into account any increase in voting power that may arise if Options or Performance Rights held by the Shareholders are exercised or converted.

Final holdings of all substantial holders will be notified to the ASX on the Company's Listing.

9.12 Australian tax considerations**(a) Australian tax overview**

The information in this section provides a general overview of Australian tax implications for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each Shareholder or relied upon as tax advice. It does not constitute financial product advice as defined in the Corporations Act. This summary is confined to Australian taxation implications and is only one of the matters which need to be considered by Shareholders before deciding about an investment in the Shares.

Investors should note that tax laws are subject to ongoing change and that this section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes in the law by judicial decision or legislation following the Prospectus Date. To the extent that there are any changes in the law after the Prospectus Date, including those having a retrospective effect, Shareholders should consider the tax consequences, taking into account their individual circumstances, and should consider taking advice from a professional adviser before making a decision about an investment to acquire Shares under this Prospectus.

The categories of Shareholders considered in this section are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account, and it does not consider Shareholders that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, foreign residents, insurance companies, banks or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth). This section also assumes that each Shareholder (together with their associates) holds at all relevant times less than 10% of the Shares in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of acquiring Shares under this Prospectus.

(b) Dividends received by Australian tax resident Shareholders

Dividends may be paid to Shareholders by the Company where the relevant legal requirements have been satisfied. The Company may ‘attach’ franking credits to such dividends where specific requirements are satisfied. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax at the corporate level. It is possible for a dividend to be fully franked, partly franked or unfranked.

It should be noted that the concept of dividend for Australian tax purposes is broad and can include payments that are made in respect of certain transactions, such as off-market share buy-backs.

(i) Australian tax resident individuals and complying superannuation entities

Where dividends on a Share are paid by the Company, those dividends should constitute assessable income of an Australian tax resident Shareholder.

Individuals or complying superannuation entities who are Australian tax resident Shareholders should include the dividend (together with any franking credits attached to that dividend) in their assessable income in the year the dividend is paid. Investors should note that the tax rate payable by each Australian resident Shareholder will depend on the circumstances of the Shareholder and their prevailing marginal rate of income tax.

Shareholders who are individuals or complying superannuation entities should be entitled to a ‘tax offset’ equal to the franking credits attached to the dividend, subject to being a ‘qualified person’, and the tax offset may be applied to reduce the tax payable on the Shareholder’s taxable income. Where the tax offset exceeds the tax payable on the Shareholder’s taxable income, the Shareholder should be entitled to a tax refund equal to the excess.

If a dividend paid by the Company is unfranked, the Shareholder will be taxed at the Shareholder’s prevailing marginal rate on the dividend received, with no tax offset.

(ii) Australian tax resident corporate Shareholders

Corporate Shareholders are required to include the dividend and associated franking credits (subject to satisfaction of the qualified person rules) in their assessable income, and a tax offset will then be allowed up to the amount of the franking credits. To the extent of the franking credits attached to the dividend, an Australian resident corporate Shareholder should be entitled to a credit in its franking account and can pass on the benefit of the franked credits to its own shareholders on the payment of franked dividends. While excess franking credits cannot give rise to a refund, they may (in certain circumstances) be converted into carry-forward tax losses.

(iii) Australian tax resident trusts and partnerships

Australian tax resident Shareholders who are trustees (other than trustees of ‘complying superannuation entities’) or partnerships should include dividends and franking credits (subject to satisfaction of the qualified person rules) in determining the net income of the partnership or trust. A beneficiary of a trust, a trustee or a partner may be entitled to a tax offset equal to their share of the net income of the trust or partnership (as relevant).

(iv) Holding period and related payment rules

To be eligible for tax offsets and franking credits, a Shareholder must be a ‘qualified person’ in respect of a dividend distribution by satisfying the ‘holding period’ and ‘related payment’ rules.

The holding period rule requires that the Shareholder hold the Shares ‘at risk’ for a continuous period of more than 45 days, excluding the dates of acquisition and disposal. Where these rules are not satisfied, the Shareholder will not include an amount for the franking credits in their assessable income and should not be entitled to a tax offset. This holding period rule is subject to exceptions, including where the total franking offsets of an individual in a year of income is under \$5,000, and special rules apply to trusts and beneficiaries.

The Shares are not held ‘at risk’ if the Shareholder has a materially diminished risk of loss or opportunity for gain in relation to the Shares. For example, if the Shareholder has entered into an agreement to dispose of the Shares, or granted options over Shares, the Shareholder will not hold the Shares ‘at risk’. Days on which a Shareholder has 30% or less of ordinary financial risks of loss and opportunities for gain from owning the Shares cannot be counted in determining whether one holds the Shares for the required period.

Under the 'related payment' rules, a different testing period applies where the Shareholder has made, or is under an obligation to make, a related payment in relation to the dividend. A related payment is one where a Shareholder or their associate effectively passes on the benefit of the dividend to another person. The related payment rule requires the Shareholder to have held the Shares at risk for a continuous 45-day period as above but during the period commencing on the forty-fifth day before, and ending on the forty-fifth day after, the day the Shares become ex-dividend. Practically, the related payment rule should not impact Shareholders who do not pass the benefit of the dividend to another person.

Shareholders should obtain their own professional tax advice to determine if they are a qualified person in relation to dividends paid by the Company on a Share.

(v) Dividend washing rules

Dividend washing rules can apply in certain cases such that no tax offset is available (nor is an amount required to be included in assessable income in relation to an attached franking credit) for a dividend received on Shares. Broadly, the rules can apply where Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing a substantially equivalent parcel of Shares cum-dividend on a special market.

Shareholders should seek independent tax advice regarding the dividend washing rules and consider the impact of these rules, having regard to their personal circumstances.

(c) Australian capital gains tax implications on a disposal of Shares

For most Australian resident Shareholders, the disposal of Shares by an Australian resident Shareholder will constitute a capital gains tax (CGT) event. Some Shareholders may hold their Shares on revenue account or as trading stock, or be subject to the Taxation of Financial Arrangements regime. These Shareholders should seek their own professional advice concerning the consequences of a disposal of Shares.

A capital gain will arise on the disposal of Shares where the cost base of the Shares (being, broadly, the amount paid to acquire the Share, plus, among other things, any incidental costs in relation to their acquisition or disposal) is exceeded by the capital proceeds on disposal (in the case of an on-market sale, the cash proceeds received on disposal).

However, a CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for at least 12 months prior to the CGT event.

If the CGT discount applies, a capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses, and for a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses. The concession is not available to corporate Shareholders.

If the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss should be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain recoupment tests being satisfied. However, capital losses cannot be offset against other forms of assessable income.

(d) Australian goods and services tax

No goods and services tax (GST) should be payable by Shareholders on acquisition, disposal or redemption of Shares in the Company. Furthermore, no GST should be payable by Shareholders on receiving dividends distributed by the Company.

However, Australian Shareholders may incur GST on costs associated with the acquisition or disposal of Shares in the Company. These Shareholders may not be entitled to claim full input tax credits in relation to any GST included in these costs. Shareholders should obtain their own independent tax advice to determine whether they will be entitled to claim GST incurred on any costs associated with the acquisition of the Shares.

(e) Stamp duty

Shareholders should not be liable for stamp duty in relation to the acquisition of Shares, unless they acquire (either individually or with an associate or related party) an interest of, or increase their interest to, at least 90% or more in the Company. No stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of Shares. Shareholders should obtain their own independent tax advice to determine the effect of stamp duty in their own circumstances.

(f) Tax file number

Australian tax resident Shareholders may, if they choose, notify the Company of their tax file number (**TFN**), Australian Business Number (**ABN**) or a relevant exemption from withholding tax with respect to dividends. In the event that the Company is not so notified, pursuant to the TFN withholding rules, tax should be automatically deducted at the highest marginal rate, including where relevant, the Medicare levy, from unfranked or partially franked dividends and/or other applicable distributions. However, Australian tax resident Shareholders may be able to claim a tax credit in respect of the tax deducted in their income tax returns.

There is no withholding requirement in respect of fully franked dividends paid by the Company on the Shares.

9.13 Expenses of the Offer

If the Offer proceeds, the total estimated costs in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees, Financial Adviser's fees, the Lead Manager's management and underwriting fees, Prospectus design and printing, advertising, marketing, Share Registry and other expenses) are currently estimated to be \$3.0 million. This amount will be paid by the Company.

The costs of the Offer that are attributable to SaleCo will be borne by the Company.

9.14 Privacy

Persons who make an Application for Shares will be providing personal information to the Company and SaleCo directly or indirectly to the Share Registry. The Company and SaleCo and the Share Registry may collect, hold and use personal information to process and assess Applications for Shares, service the needs as a securityholder, facilitate distribution payments and corporate communications with the securityholder, provide facilities requested and carry out appropriate administration.

The Australian taxation legislation and the Corporations Act require personal information about Applicants, including name, address and details about Shares, to be included on the Share Register. Personal information held on the Share Register must be accessible to the public under the Corporations Act and will continue to be included on the Share Register should you cease to be a securityholder.

Personal information of security holders may also be used from time to time and disclosed for purposes relating to their investment to the Company's agents and service providers it may engage with in connection with the ordinary conduct of its operations, persons inspecting the Share Register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, legal and accounting firms, auditors and other advisers for the purpose of advising on the Shares, print service providers, mail houses, the Share Registry or as otherwise required under the Privacy Act. The Company's agents may be located outside of Australia where your personal information may not receive the same level of protection as required by Australian law. From time to time, the Company may contract overseas commercial organisations to provide products or services to the Company or its clients.

The Company and SaleCo aim to ensure the personal information they hold is accurate, complete and up to date. You may request access to, correction of, and an update to the personal information that the Company and SaleCo hold about you by contacting the Share Registry or the Company. You will generally be provided access to your personal information, subject to some exceptions permitted by law. You may be required to pay a reasonable fee to the Share Registry or the Company to gain access to your personal information. Please contact the Company or the Share Registry if you wish to lodge a complaint about the management of your personal information, request access or amendment to your personal information, or obtain further information about the Company's privacy practices by using the relevant contact numbers set out on page 4 of this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. Persons who make an Application should note that if all the information required on the Application Form is not provided, the Company, SaleCo and the Share Registry may not be able to accept or process the Application.

9.15 Legal proceedings

From time to time, the Company and the Subsidiaries may be party to various disputes and legal proceedings incidental to the conduct of its business.

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or government prosecution of a material nature in which the Company is directly or indirectly concerned that is likely to have a material adverse effect on the business or financial position of the Company. However, please refer to Section 5 for a summary of the general litigation risks to which the Group is exposed.

9.16 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Victoria, and each Applicant submits to the exclusive jurisdiction of the courts of Victoria.

9.17 Consents to be named and statement of disclaimers of responsibility

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

- (a) Ord Minnett Limited has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager and Underwriter to the Offer in the form and context in which it is named. To the extent permitted by law, Ord Minnett Limited takes no responsibility for any part of this Prospectus other than any reference to its name;
- (b) Gadens has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser to the Company (except in relation to taxation and stamp duty) in the form and context in which it is named. Gadens takes no responsibility for any part of this Prospectus other than any reference to its name;
- (c) Moore Australia (VIC) Pty Ltd has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this Prospectus of the Independent Limited Assurance Report in Section 8 in the form and context in which it is included. Moore Australia (VIC) Pty Ltd takes no responsibility for any part of this Prospectus other than any reference to its name and the Independent Limited Assurance Report;
- (d) RSM Corporate Australia Pty Ltd has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Financial Adviser to the Company in the form and context in which it is named. RSM Corporate Australia Pty Ltd takes no responsibility for any part of this Prospectus other than any reference to its name;
- (e) RSM Australia Pty Ltd has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax advisers to the Company in the form and context in which it is named;
- (f) Frost & Sullivan has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of the Industry Overview in Section 2 in the form and context in which it is included. Frost & Sullivan takes no responsibility for any part of this Prospectus other than the Industry Overview in Section 2; and
- (g) Link Market Services Limited has given, and has not withdrawn, prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Link Market Services Limited has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this Prospectus.

9.18 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Shares to be issued or sold are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional advisers.

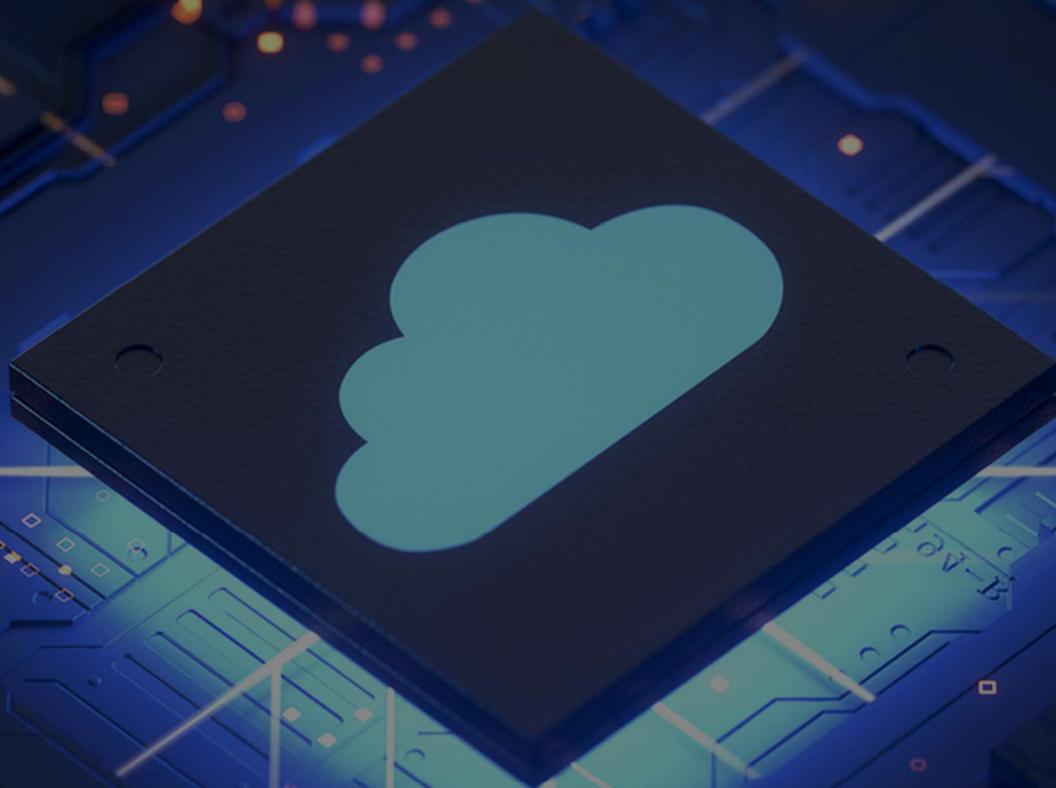
The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

9.19 Statement of Directors

This Prospectus is authorised by each Director of the Company and each director of SaleCo, each of whom has consented to its lodgement with ASIC.

RACING AND SPORTS

Glossary



Glossary

Term/abbreviation	Explanation
AARPEC	Average Annualised Revenue Per Enterprise Customer which is measured as the annualised monthly revenue per active Enterprise Customer at financial year end
AAS or Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the AASB
AASB	Australian Accounting Standards Board
AI	Artificial intelligence
ANZ	Australian and New Zealand Banking Group Limited
Applicant	A person who submits an Application Form
Application	An application made using the Application Form to subscribe for Shares offered under this Prospectus
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
Application Monies	The amount accompanying an Application Form submitted by an Applicant
ARR	Annualised Recurring Revenue which is measured as the annualised monthly revenue of customers that are active at financial year end
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001 (Cth)</i>
ASX	Australian Securities Exchange or ASX Limited ACN 008 624 691, as the context requires
ASX Listing Rules	The official listing rules of the ASX
ASX Recommendation	The fourth edition of the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Limited ACN 008 504 532
ATO	Australian Taxation Office
Award	An Option or Performance Right that may be granted under the LTIP
AUD, \$	Australian dollars
B2B	Business-to-business transactions
B2C	Business-to-consumer transactions
BBSY	Bank bill swap bid rate
BHA	British Horseracing Authority
BHB	British Horseracing Board
Board	The board of Directors of the Company
Broker	The Lead Manager or its affiliates and any ASX-participating organisation selected by the Lead Manager and the Company to act as a broker to the Offer
Broker Firm Applicant	A person who submits an Application under the Broker Firm Offer

Term/abbreviation	Explanation
Broker Firm Offer	The invitation to Australian resident retail clients of Brokers to acquire Shares offered under this Prospectus as discussed in Section 7.3
Business Day	ASX business day in terms of the operating rules of the ASX markets and clearing and settlement facilities
CAGR	Compound annual growth rate
CCO	Chief Commercial Officer
CEO	Chief Executive Officer
Certificate	A certificate executed by the Company and SaleCo and delivered to the Lead Manager in accordance with the Underwriting Agreement and which certifies (among other things) the Company and SaleCo's compliance with their obligations under the Underwriting Agreement and the Offer
CFO	Chief Financial Officer
CGU	Cash-generating unit
CTO	Chief Technical Officer
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act
CGT	Capital gains tax
Closing Date	The date at which the Offer closes
Commercial Customer	A customer with revenue less than \$50,000 per annum
Company	RAS Technology Holdings Limited ACN 650 066 158
Completion	The date on which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer
Completion Date	The date on which Completion occurs
Constitution	The constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director(s)	The director or directors of the Company
EBIT	Earnings/(losses) before interest (net finance income) and taxation
EBITDA	Earnings/(losses) before interest (net finance income), taxation, depreciation and amortisation
ECL	Expected credit loss
Entain	Ladbrokes Coral Group Limited or, if the context requires, one of its related entities
Enterprise Customer	A customer with revenue exceeding \$50,000 per annum
Escrowed Shareholders	Each of Gary Crispe, Robert Vilkaitis and Entain
Escrowed Shares	Each of the Shares held by, or which on Completion will be held by, the Escrowed Shareholders that are subject to voluntary escrow
EU	European Union
Executive Director	A Director who is an employee or executive of the Company
Existing Shareholders	The Shareholders as at the Prospectus Date
Existing Shares	The Shares on issue at the Prospectus Date

Term/abbreviation	Explanation
Expiry Date	27 November 2022, being the date that is 13 months after the Prospectus Date
Exposure Period	The period specified in section 727(3) of the Corporations Act, being a minimum of seven days from the Prospectus Date, during which an Application must not be accepted. ASIC may extend this period by up to a further seven days after the end of this period
Financial Adviser	RSM Corporate Australia Pty Ltd
Financial Information	Has the meaning given to it in Section 4.1
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY	Financial year beginning 1 July and ended or ending 30 June
FY2019	Financial year ending 30 June 2019
FY2020	Financial year ending 30 June 2020
FY2021	Financial year ending 30 June 2021
FY2022	Financial year ending 30 June 2022
GGR	Gross gaming revenue
GGY	Gross gaming yield
GRSBet	GRSBet Pty Ltd
Government Agency	Any government or any public, statutory, government (including a local government), semi-government or judicial body, entity, department or authority
Group	The Company and its Subsidiaries
GST	Has the meaning given to that term under the GSTA
GSTA	<i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
Hardwickes	Hardwickes, the auditor in respect of the Company's FY2019, FY2020 and FY2021 financial statements
HIN	Holder Identification Number
HKJC	Hong Kong Jockey Club
HRA	Horseracing Regulatory Authority
IGA	<i>Interactive Gambling Act 2001 (Cth)</i>
IFRS	International Financial Reporting Standards
Independent Limited Assurance Report	The Independent Limited Assurance Report prepared by the Investigating Accountant and set out in Section 8
Institutional Investor	<p>Investors who are:</p> <ul style="list-style-type: none"> persons in Australia who are wholesale clients under section 761G of the Corporations Act and either 'professional investors' or 'sophisticated investors' under sections 708(11) or 708(8) of the Corporations Act; or Institutional Investors in certain other jurisdictions, as agreed by the Company, SaleCo and the Lead Manager to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any Government Agency (except one with which the Company is willing in its discretion to comply); and <p>provided that in each case such investors are not in the United States</p>

Term/abbreviation	Explanation
Institutional Offer	The invitation under this Prospectus to certain Institutional Investors in Australia, New Zealand, Hong Kong, Singapore and the United Kingdom (and any other jurisdictions as agreed between the Lead Manager, the Company and SaleCo) to apply for Shares as discussed in Section 7.5
Investigating Accountant	Moore Australia (VIC) Pty Ltd
IPO	Initial Public Offering
ITAA97	<i>Income Tax Assessment Act 1997 (Cth)</i>
JRA	Japan Racing Association
Lead Manager	Ord Minnett Limited
Lead Manager Options	The Ordinary Options to be issued to the Lead Manager described in Section 9.5(a)
Listing	The commencement of trading of the Shares on ASX on a normal settlement basis following Completion of the Offer
LTI	Long-Term Incentive
LTIP Offers	The LTIP offers described in Section 6.3(d)
LTIP Option Offer	The offer to receive Ordinary Options under the LTIP described in Section 6.3(d)(iii)
LTIP Performance Rights Offer	The offer to receive Performance Rights under the LTIP described in Section 6.3(d)(iv)
LTIP	The Company's Long-Term Incentive Plan
NAR	National Association of Racing
New Shareholders	Persons acquiring New Shares
Neurals	An interactive feature on the Racing and Sports website that allows a user the ability to identify race chances by adjusting key form factors that then drive complex algorithms to predict outcomes
New Shares	Shares issued pursuant to the Offer
Non-Executive Director	A Director who is not an employee or executive of the Company
NPAT	Net profit after tax
Offer	The offer under this Prospectus of 19,334,334 Shares by the Company and SaleCo
Offer Documentation	The documents issued or published by, or on behalf of the Company and SaleCo in respect of the Offer including the Prospectus
Offer Information Line	1800 774 759 (within Australia) or +61 1800 774 759 (outside Australia) in each case, open from 8.30 am to 5.30 pm (Melbourne time) Monday to Friday (excluding public holidays) until Completion
Offer Period	The period from the Opening Date and ending on the Closing Date
Offer Price	The price per Share that all Successful Applicants will pay for Shares under the Offer, being \$1.50 per Share
Offer Proceeds	The number of Shares to be issued or transferred under the Offer multiplied by the Offer Price
Official List	The official list of entities that ASX has admitted and not removed from listing
Opening Date	The date on which the Offer opens, expected to be Thursday, 4 November 2021

Term/abbreviation	Explanation
Options	Options granted by the Company that may be exercised into a Share, subject to their terms and includes Zero Priced Options and Ordinary Options granted under the LTIP
Ordinary Options	Options granted by the Company under the LTIP for which an exercise price is payable
PASPA	<i>Professional and Amateur Sports Protection Act of 1992</i>
Performance Rights	Performance rights granted by the Company that are convertible into a Share subject to their terms
Plan Rules	The general rules of the LTIP as described in Section 6.3(d)
PMU	Pari Mutuel Urbain
PPS Register	The Personal Property Securities Register maintained by the Commonwealth Government pursuant to the <i>Personal Property Securities Act 2009</i> (Cth)
Prescribed Occurrence	The events specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act as if references to 'the target' were replaced by references to 'the Company'
Priority Offer	The component of the Offer under which investors who have received a Priority Offer Invitation can apply for Shares, as discussed in Section 7.4
Priority Offer Applicant	A person who submits an Application under the Priority Offer
Priority Offer Invitation	The invitation under this Prospectus to selected investors in Australia and certain other jurisdictions to participate in the Priority Offer on a firm basis up to the allocation of Shares determined by the Company
Pro Forma Historical Information	Has the meaning given to it in Section 4.1
Prospectus	This document dated Wednesday, 27 October 2021 (including the electronic form of this document), and any replacement or supplementary prospectus in relation to this document
Prospectus Date	The date of this Prospectus, being Wednesday, 27 October 2021
Racing and Sports	Racing and Sports Pty Limited ACN 093 360 108 or, as the context requires, a reference to the underlying business of the Company
Relevant Interest	As defined in sections 9 and 608 of the Corporations Act
Revenue Hurdle	The performance conditions relating to the Revenue Performance Rights as described in Section 6.3(d)(iv)
Revenue Performance Rights	Performance Rights subject to the Revenue Hurdle
SaaS	Software as a Service
SaleCo	RAS Technology Holdings SaleCo Limited ACN 654 574 786
SaleCo Director(s)	The director or directors of SaleCo
Selling Shareholders	Existing Shareholders who elect to sell Shares to SaleCo
Settlement	Settlement in respect of the Shares the subject of the Offer, occurring as described in the Underwriting Agreement
Settlement Date	The date when Settlement occurs, being Wednesday, 17 November 2021 unless extended
Share	A fully paid ordinary share in the capital of the Company
Share Register	The share register of the Company

Term/abbreviation	Explanation
Share Registry	Link Market Services Limited ACN 083 214 537
Shareholder	A person recorded in the Company's Share Register as the holder of a Share.
STI	Short-Term Incentive
SRN	Securityholder Reference Number
Subsidiaries	The wholly owned subsidiaries of the Company at the Prospectus Date as set out in section 9.2.
Successful Applicant(s)	Any one or all Applicant(s) who is issued or transferred Shares under the Offer
TAB	Tabcorp Holdings Limited
TFN	Tax file number
Tranche 1 Options	The Ordinary Options to be issued under the LTIP Option Offer, the terms of which are described in Section 6.3(d)(iii)
Tranche 2 Options	The Ordinary Options to be issued under the LTIP Option Offer, the terms of which are described in Section 6.3(d)(iii)
TRA	Thoroughbred Racing Associations of North America
TSR Hurdle	The performance conditions relating to the TSR Performance Rights as described in Section 6.3(d)(iv)
TSR Performance Rights	Performance Rights subject to the TSR Hurdle
UK	United Kingdom
Underwriter	Ord Minnett Limited
Underwriting Agreement	The agreement of that name between the Company, SaleCo and the Underwriter dated on or about the Prospectus Date
US Person	A person resident in the United States
United States or US	United States of America
US Securities Act	Securities Act of 1933, as amended
Voluntary Escrow Deed	Deed entered into between an Escrowed Shareholder and the Company as described in Section 9.8
ZEPO Offer	The offer to receive Zero Priced Options under the LTIP described in Section 6.3(d)(i)
Zero Priced Options	Options granted by the Company under the LTIP for which no exercise price is payable

Appendix A – Significant Accounting Policies

1. Revenue and Other Income

1.1 Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

- (a) identify the contract with the customer;
- (b) identify the performance obligations;
- (c) determine the transaction price;
- (d) allocate the transaction price to the performance obligations; and
- (e) recognise revenue as and when control of the performance obligations is transferred.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

1.2 Statement of financial position balances relating to revenue recognition

(a) Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

(b) Grant revenue – R&D tax incentive

The grant revenue from R&D tax incentives is recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(c) Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

2. Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- (a) The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- (b) Taxable temporary differences arising on the initial recognition of goodwill.
- (c) Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be used.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction that is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

3. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

4. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (**GST**), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (**ATO**).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

5. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment is measured using the cost model.

Property, plant and equipment is depreciated on a reducing balance basis over the assets' useful life to the Company, commencing when the asset is ready for use.

6. Depreciation

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and equipment	10%–66.67%
Leased motor vehicles	25%
Leasehold improvements	25%
General pool	30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

7. Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss (**FVTPL**) where transaction costs are expensed as incurred).

7.1 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Classification

On initial recognition, the Company classifies its financial assets into the following categories, being those measured at:

- (i) amortised cost;
- (ii) fair value through profit or loss (**FVTPL**);
- (iii) fair value through other comprehensive income – equity instrument (**FVOCI** – equity).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

(b) Amortised cost

Assets measured at amortised cost are financial assets where:

- (i) the business model is to hold assets to collect contractual cash flows; and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets, which are measured at amortised cost, comprise trade and other receivables, loans and advances and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less any provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in the statement of profit or loss and other comprehensive income. Gain or loss on derecognition is also recognised statement of profit or loss and other comprehensive income.

(c) Fair value through other comprehensive income

The Company has no strategic investments in listed and unlisted entities over which are they do not have significant influence nor control.

(d) Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Company does not hold any assets that fall into this category.

(e) Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (**ECL**) basis for the following assets:

(i) Financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company uses the presumption that an asset, which is more than 90 days past due, has experienced a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- (A) the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- (B) the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

(ii) *Trade receivables and contract assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9, which uses an estimation of lifetime ECLs. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and other comprehensive income.

(iii) *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the ECL model in AASB 9. On initial recognition of the asset, an estimate of the ECLs for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

8. Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans, and lease liabilities.

9. Impairment of Non-financial Assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in the statement of profit or loss and other comprehensive income.

Reversal indicators are considered in subsequent periods for all assets that have suffered an impairment loss.

10. Intangibles

10.1 Database and software development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials and externally acquired data, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are subject to an annual impairments test and carried at cost and accumulated impairment losses.

Development costs that become commercially ready to deploy have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project, which is between three and 10 years, depending on the asset.

10.2 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

11. Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, which is readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

12. Leases

At inception of a contract, the Company assesses whether a lease exists, that is, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- (a) The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- (b) The Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- (c) The Company has the right to direct the use of the asset, that is, decision-making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however, where this cannot be readily determined, the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost, using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI), or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement. If the carrying amount of the right-of-use asset has been reduced to zero, it is recorded in profit or loss.

13. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high-quality corporate bond rates, incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

14. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, and share options which vest immediately, are recognised as a deduction from equity, net of any tax effects.

15. New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early-adopt these Standards. The following table summarises those future requirements and their impact on the Company where the standard is relevant.

Standard name	Effective date for entity	Requirements	Impact
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 July 2021	The amendments refine the definition of material in AASB 101 to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	Unlikely to be any impact on the reported financial position, performance or cash flows.
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	1 July 2022	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	Minor impact expected but entities should consider the appropriate classification of liabilities as current or non-current.

16. Critical Accounting Estimates and Judgements

The Directors make estimates and judgements during the preparation of financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however, as additional information becomes known, the actual results may differ from the estimates.

Corporate Directory

Registered Office

RAS Technology Holdings Limited

C/- JM Corporate Services
Level 21, 459 Collins Street
Melbourne VIC 3073

Lead Manager

Ord Minnett Limited

Level 8,
225 George Street
Sydney NSW 2000

Share Registry

Link Market Services Limited

Level 12, 680 George Street
Sydney, NSW, 2000

Offer Information Line

1800 774 759 (within Australia)
+61 1800 774 759 (outside Australia)

Legal Advisers

Gadens

Level 13, 447 Collins Street
Melbourne VIC 3000

Financial Adviser

RSM Corporate Australia Pty Ltd

Level 21, 55 Collins St
Melbourne VIC 3000

Investigating Accountant

Moore Australia (VIC) Pty Ltd

Level 18, 530 Collins St,
Melbourne VIC 3000

Company's website

<https://racingandsports.company/>

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Broker Firm Offer Application Form

This is an Application Form for Shares in RAS Technology Holdings Limited under the Broker Firm Offer on the terms set out in the Prospectus dated 27 October 2021 (or any other supplementary or replacement prospectus). The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

By applying under the Broker Firm Offer, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus. Defined terms in the Prospectus have the same meaning in this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanied by a complete and unaltered copy of the Prospectus (whether in paper or electronic form).

Shares applied for Price per Share Application Monies

A , , at **A\$1.50** **B** A\$, , .

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1
Surname/Company Name

C

Title First Name Middle Name

Joint Applicant #2
Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant Joint Applicant #2 Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

PLEASE COMPLETE ADDRESS DETAILS
PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

E

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN

F

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

G ()

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

Cheque or Bank Draft Number BSB - Account Number

H

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are RAS Technology Holdings Limited ("RTH") Shares. Further details about the Shares are contained in the Prospectus dated 27 October 2021 issued by RAS Technology Holdings Limited. The Prospectus will expire on 27 November 2022. While the Prospectus is current, RAS Technology Holdings Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

By lodging the Application Form, the Applicant agrees that this Application for Shares in RAS Technology Holdings Limited is upon and subject to the terms of the Prospectus and the Constitution of RAS Technology Holdings Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate.

- A** Insert the number of Shares you wish to apply for. The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. You may be issued all of the Shares applied for or a lesser number.
 - B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
 - C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
 - D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, RAS Technology Holdings Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
 - E** Please enter your postal address for all correspondence. All communications to you from RAS Technology Holdings Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
 - F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to RAS Technology Holdings Limited's issuer sponsored subregister.
 - G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
 - H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
- If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.



RACING AND **SPORTS**