

Q1 FY23 QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

Quarterly highlights

- **\$23.8m in cash receipts in Q1 FY23 is +13% versus Q1 FY22**
- **24 platform and Managed Trading Services customers live**
- **Amended NTD (“Betr”) contract increased by up to \$20mil over contract term**
- **Commenced global distribution of North American racing content**
- **Share buy-back with 29.1 million shares bought on market**
- **Closing cash balance of \$64.0m**

The Board of BetMakers Technology Group Ltd (ASX:BET) (“BetMakers” or the “Company”) is pleased to release its Quarterly Cash Flow Statement and Quarterly Activities Report for Q1 FY23, the quarter ending 30 September 2022.

The \$23.8m in reported cash receipts from customers in Q1 FY23 represents a 13% increase compared to Q1 FY22. The year-on-year growth is largely a result of the expansion of Global Betting Services platform offering, underpinned by a stable Global Tote customer base.

Q1 FY23 HIGHLIGHTS INCLUDE:

Continued growth in platform and Managed Trading Services clients

During Q1 FY23 the group launched 6 additional Australian platform and Managed Trading Services customers, taking the total to 24 as at September 2022.

Combined annualised turnover was greater than \$2bn across the platform clients.

BetMakers platform clients estimated in excess of 100k total downloads for quarter representing ~20% of traditional Australian wagering App downloads.

The above figures exclude the new Betr platform which was launched in October 2022.

NTD (“Betr”) contract increase revenue cap by \$20 million

BetMakers Technology Group Ltd announced to the market on 16 August 2022 that it had entered into a deed of variation to amend the previously announced contract with NTD Pty Limited (“NTD”) to provide technology and services to the new NTD wagering venture (“Betr”). Betr agreed to purchase certain assets of the wagering business TexBet with BetMakers’ support. As part of the amendment, the cap on the Annual Fee payable by NTD to BetMakers under the Agreement will be increased by an incremental \$2 million per annum over 10 years for a total increase of \$20 million.

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As part of this arrangement, BetMakers will contribute a total of \$2.5 million over two tranches towards the purchase of TexBet by NTD. The first tranche of \$1.25 million was paid by BetMakers during Q1 FY23.

Commenced distribution of North American racing content

As announced by the Company on 30 June 2022, BetMakers was awarded the rights to offer PENN National Gaming racing content outside of the US and Canadian markets, for fixed odds bets and exchange wagering.

As part of the agreement BetMakers paid PENN National Gaming the first-year minimum guarantee upfront. This equated to approximately \$5.8 million and was paid during Q1 FY23. BetMakers will distribute racing content including data and race vision for over 900 race meetings a year to its customer base.

BetMakers share buy-back initiated

As announced by the Company on 24 June 2022, BetMakers initiated an on-market buy-back to acquire up to 10% of the Company. This buy-back commenced on 12 July 2022.

During Q1 FY23 the Company acquired 29,126,884 shares on-market, at a total consideration of \$11,664,000

The Company paid Directors \$635,000 for services during Q1 FY23. This included payment to the Chief Executive Officer for employment services and STIP bonus payment related to FY22.

The Appendix 4C for the quarter ending 30 September 2022 is attached to this announcement.

For further information please contact

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Todd Buckingham, Managing Director of BetMakers, authorised the release of this announcement to ASX.

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Disclaimer

This announcement contains “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate”, and “expect”. Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BetMakers Technology Group Limited

ABN

21 164 521 395

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23,770	23,770
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,967)	(6,967)
(c) advertising and marketing	(247)	(247)
(d) leased assets	(414)	(414)
(e) staff costs	(17,688)	(17,688)
(f) administration and corporate costs	(4,313)	(4,313)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	54	54
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(112)	(112)
1.9 Net cash from / (used in) operating activities	(5,917)	(5,917)

1.2(e) Includes a short term incentive payment made to all eligible staff of \$2.8m. This payment was calculated and paid in line with the Company's Short Term Incentive Plan rules, and was in relation to performance for the period ending 30 June 2022.

1.8 Relates to funds paid in relation to regulatory licenses, and advisor fees that are related to projects finite in nature.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(1,650)	(1,650)
	(c) property, plant and equipment	(2,077)	(2,077)
	(d) investments	-	-
	(e) intellectual property / content rights	(5,821)	(5,821)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(690)	(690)
2.6	Net cash from / (used in) investing activities	(10,238)	(10,238)

2.1 (b) Relates to the final completion payment due for the acquisition of Form Cruncher (\$275,000 – please see ASX announcement dated 23 June 2021 “BetMakers acquires Form Cruncher and Swopstakes assets”), and the initial payment towards the purchase of TexBet (\$1,375,000 – please see ASX announcement dated 16 August 2022 “NTD Contract amended to increase max revenue cap by \$20m”).

2.1 (c) Predominantly relates to funds paid in relation to the development and construction of the new Bet Line betting terminals and other on-track and in-venue hardware (for initial use in the US).

2.1 (e) Relates to funds paid to Penn National Gaming for the rights to offer their racing content outside of the US and Canadian markets, for fixed odds, booked bets and exchange wagering (please see ASX announcement dated 30 June 2022 “BET Signs Deal with Penn National Gaming”). The amount paid represents the total minimum guarantee for the initial year of the agreement (for the 12 months to 30 June 2023).

2.5 Predominantly relates to the movement in restricted cash held by US operations on behalf of customers. The restricted cash balance is subject to variance as funds are collected and distributed to customers and BetMakers US as fees. The restricted cash balance at 30 September 2022 was \$7.2m.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,580	2,580
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(10,680)	(10,680)
3.10	Net cash from / (used in) financing activities	(8,100)	(8,100)

3.3 Relates to funds received from The Waterhouse Group in relation to exercising 14,314,351 options in accordance with the joint agreements.

3.9 Comprised of \$11.68m paid to acquire 29,126,884 BET shares under the company buy-back (please see ASX announcement dated 24 June 2022 "BetMakers Announces On-Market Share Buy-Back"), off-set by the reimbursement of \$1.0m upon the amendment of the Waterhouse agreements (please see ASX announcement dated 20 May 2022 "Updated Agreements with The Waterhouse Group").

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	87,550	87,550
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,917)	(5,917)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,238)	(10,238)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8,100)	(8,100)
4.5	Effect of movement in exchange rates on cash held	741	741
4.6	Cash and cash equivalents at end of period	64,036	64,036

Quarterly cash flow report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	64,036	87,550
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	64,036	87,550

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

635

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 Relates to amounts paid to directors for services during Q1 FY23. This includes payments to the Chief Executive Officer for employment services.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

-

-

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(5,917)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	64,036
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	64,036
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	10.8

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

[name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.