

31 January 2023

**Q2 FY23 QUARTERLY ACTIVITIES REPORT  
FOR THE PERIOD ENDING 31 DECEMBER 2022****Quarterly highlights:**

- **\$26.9m in cash receipts in Q2 FY23 is +13% versus Q1 FY23 and +9% versus Q2 FY22**
- **New NextGen proprietary wagering platform successfully launched for betr during the Spring Carnival period**
- **Successful launch of Global Tote Hub**
- **Acquisition of Punting Form**
- **Deal completed for distribution of racing.com and GRNSW vision in Australia**
- **Launch of international Fixed Odds in Jamaica through Caymanas Park**
- **Achieved ISO27001 Certification**
- **Winner of the Deloitte Australia's 2022 Tech Fast 50 Leadership Award**
- **Closing cash balance of \$61.0m**

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 Q2 FY23, the quarter ending 31 December 2022.

The quarter marked one of significant operational progress for the Company, as it launched the betr platform and navigated its largest ever Spring Racing Carnival. In addition, the Company delivered its largest ever quarterly receipts from customers of \$26.9m (a 13% increase versus Q1 FY23, and 9% increase versus Q2 FY22), and made progress in new business areas such as the launch of the Global Tote Hub.

The Company invested heavily during the last two quarters on its platforms and international expansion.

After delivering a positive normalised EBITDA in FY22 from a strong growth in revenues of \$91.7m (+300%), the Company notes that the investment made in growth opportunities during 1HFY23 is expected to result in negative earnings for FY23. The Company believes that the investment made over the last six months puts it in a stronger position to deliver the next phase of growth, both in revenue and earnings.

In 2HFY23, management will focus on reducing and normalising the cost base, aiming to deliver positive operational cash flows in 2HFY23 and set the business up to deliver earnings growth in FY24.

## Q2 FY23 HIGHLIGHTS INCLUDE:

### Successful launch of NextGen wagering platform

BetMakers is the technology and services provider to betr, the newly launched brand for NTD Pty Limited (“NTD”).

The Company announced the signing of the NTD contract on 21 April 2022. Over the course of six months the team developed the bespoke NextGen wagering platform that powers the betr brand. Since the launch of betr, the platform has had more than 300,000 sign-ups and has withstood a substantial volume of traffic with a peak of more than 8,000 bets per minute during the Spring Carnival.

Following the launch of betr, BetMakers has continued to enhance the platform and deliver on the product pipeline ahead of the upcoming AFL and NRL seasons. The new NextGen technology will also be leveraged by BetMakers in other areas of its global business including:

- technology upgrades for 25+ Australian MTS and platform customers;
- 20 digital ADW tote wagering platforms across the Americas; and
- an upgraded racing embedded solution for global sportsbooks.

Under the contracted terms, BetMakers will receive revenues of 25% of Net Gaming Revenue, with potential revenues in excess of \$300m over the 10 year term. Currently the revenues are based on the minimum guaranteed amounts (\$7.5m per annum) under the contract due to the impact of high levels of promotional spend on betr’s Net Gaming Revenue<sup>1</sup>. Consequently, the Company received approximately \$1.4m of cash receipts from NTD during the quarter and booked \$1.875m of revenue. The Company expects this contract to deliver a strong uplift in revenues once the promotional activities revert to normal levels.

### Our biggest Spring Carnival ever, in an intensely competitive wagering market

BetMakers had its largest Spring Racing Carnival ever, with 25 platform clients live and trading, including the newly launched betr platform.

- During Melbourne Cup week, BetMakers’ platform clients processed more than 4.7m bets
- More than 1.7m bets processed on Melbourne Cup day alone
- Platform peaks of over 8,000 bets per minute
- No outages

The Company continues to optimise strategies on the platform to deliver higher Gross Gaming Revenues (“GGR”) for our partners which would increase revenues in the Global Betting Services division.

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<sup>1</sup> See the ASX Announcement dated 21 April 2022 for further details regarding the contracted terms.

### Successful launch of the Global Tote Hub

BetMakers has an established tote business, representing one of the world's most widely deployed parimutuel software solutions, servicing a global network of over 300 racing and wagering partners.

It has long been a focus of BetMakers to enhance connectivity between our customers and improve liquidity across the global tote wagering network.

During the quarter BetMakers launched the Global Tote Hub – a centralised licensed entity utilising the proprietary tote technology to establish international pools and commingling gateways for wagering operators to access more parimutuel markets.

**Todd Buckingham, said:**

*“The ‘International Pools’ concept will take our existing relationships with content rights and connect them to Global Tote customers around the world to create global liquidity.*

*BetMakers is extremely excited about the opportunity that the Global Tote Hub offers our clients – both the wagering operators and the racing bodies. It has long been a goal of BetMakers to reduce the barriers to global commingling and to improve the liquidity and efficiency of global tote pooling.*

*All parties involved in our December launch are extremely happy with the initial results – the team are now working hard to expand and replicate this model with our other partners.”*

### International Fixed Odds

Following the Company's announcement of the launch of fixed odds in New Jersey, it has also recently launched fixed odds betting in Jamaica, at Caymanas Park. As announced on 22 December 2020, BetMakers will manage fixed odds wagering on all horse racing through channels including online, at off track betting shops, and on track at Caymanas Park.

The commencement in Jamaica marks the second jurisdiction in which BetMakers has launched fixed odds as part of its international expansion plans, and whilst in early stages, reinforces the Company's conviction in the role that fixed odds wagering can play in the global horse racing market.

The MonmouthBets and the Caymanas online and mobile applications will continue to be developed and we expect a full commercial launch in this upcoming half.

### **Acquisition of Punting Form**

As announced by the Company on 24 October 2022, BetMakers entered into a share purchase deed to acquire Punting Form. Punting Form uses proprietary IP and artificial intelligence to create sectional times and benchmarks for horse racing which are used for time-based ratings systems.

BetMakers will integrate the Punting Form services and data across all operating divisions, with an immediate focus on Managed Trading Services (“MTS”) (part of the Global Betting Services division) allowing pricing improvements across its ratings engine, driving enhanced margins for MTS. Additionally, Punting Form will expand the current services to include sectional time ratings for North American racing and other global jurisdictions and racing formats.

#### **Todd Buckingham commented:**

*“Sectional times are at the forefront of any ratings system and required by any serious ratings engine. The synergies across our business are exceptional with both internal use and our external client base benefiting greatly from this acquisition. The team at Punting Form are very experienced in delivering B2B wagering solutions and we are excited to have them onboard at BetMakers.”*

Upon completion of the acquisition, BetMakers paid the vendors of Punting Form \$3.0m in cash (denoted within the Appendix 4C as \$2.8m, net of acquired cash on balance sheet).

### **Distribution of Racing.com thoroughbred vision and Greyhound Racing NSW in Australia**

As announced by the Company on 21 November 2022, BetMakers entered into an agreement with Victorian Thoroughbred Racing IMB Pty Ltd (Racing Victoria’s media business) for the digital distribution of Racing.com’s live thoroughbred horse racing vision to wagering service providers in Australia. In addition to this, BetMakers has also recently signed an agreement with Greyhound Racing NSW to distribute their racing vision to domestic digital platforms.

This will allow BetMakers to embed the racing video content into the BetMakers platform and integrate streaming solutions provided to the 26 current wagering platform clients.

### **Achieved ISO27001 Certification**

During the quarter BetMakers invested heavily in IT cybersecurity, procedures, and regulatory frameworks. As recognition for the quality of some of this work, the Company obtained the global benchmark certification ISO27001 Information Security Management System in Australia and Sri Lanka.

This was a significant project across many areas of the business and is a testament to the quality improvements and focus of the business.

## Winner of the Deloitte Australia's 2022 Tech Fast 50 Leadership Award

The Deloitte Technology Fast 50 program recognises, profiles, and celebrates Australia's fastest-growing tech companies. The Leadership Award recognises Australian tech companies that have revenue of more than \$50.0m and BetMakers was honored to win this award for 2022.



The Company paid Directors \$139,000 for services during Q2 FY23. This included payment to the Chief Executive Officer for employment services.

The Appendix 4C for the quarter ending 31 December 2022 is attached to this announcement.

For further information please contact

Charly Duffy

Jane Morgan

Company Secretary

Investor and Media Relations

[companysecretary@thebetmakers.com](mailto:companysecretary@thebetmakers.com)

[investors@thebetmakers.com](mailto:investors@thebetmakers.com)

+ 61 (0) 409 083 780

+ 61 (0) 405 555 618

The Board of BetMakers has authorised the release of this announcement to ASX.

## 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.

All monetary figures quoted within this document are in Australian dollars (\$AUD) unless otherwise specified and provided on an unaudited basis.

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.

## 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")**

31 December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	26,930	50,673
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(10,452)	(17,419)
(c) advertising and marketing	(499)	(746)
(d) leased assets	(711)	(1,125)
(e) staff costs	(17,324)	(35,012)
(f) administration and corporate costs	(3,772)	(8,085)
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	48	102
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(111)	(223)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,918)</b>	<b>(11,835)</b>

1.2(e) Includes a short term incentive payment made to all eligible staff of \$1.1m (associated taxes and superannuation). 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
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(2,810)	(4,460)
	(c) property, plant and equipment	(2,384)	(4,461)
	(d) investments	-	-
	(e) intellectual property / content rights	(787)	(6,608)
	(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)	9,577	8,887
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>3,596</b>	<b>(6,642)</b>

*2.1 (b) Relates to the final completion payment made for the acquisition of Punting Form, net of acquired cash on the balance sheet. (please see ASX announcement dated 1 November 2022 "BetMakers Completes Punting Form Acquisition").*

*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).*

*2.5 Predominantly relates to customer funds received on deposit in relation to the launch of the Global Tote Hub. The restricted cash balance at 31 December 2022 was \$15.6m.*

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	90	2,670
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
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)	(416)	(11,096)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(326)</b>	<b>(8,426)</b>

3.3 Relates to funds received from staff in relation to exercising options.

3.9 Comprised of \$0.416m paid to acquire 1,500,000 BET shares under the company buy-back (please see ASX announcement dated 24 June 2022 "BetMakers Announces On-Market Share Buy-Back").

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	64,036	87,550
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,918)	(11,835)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,596	(6,642)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(326)	(8,426)
4.5	Effect of movement in exchange rates on cash held	(430)	311
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>60,958</b>	<b>60,958</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	<b>60,958</b>	64,036
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>60,958</b>	64,036

<b>6. Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	139
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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 Q2 FY23. This includes payments to the Chief Executive Officer for employment services.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(5,918)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	60,958
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	60,958
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	10.3

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

- 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

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

Date: 31 January 2023.....

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

### Notes

1. 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.
2. 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.
3. 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.
4. 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.

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