



FY23 Half Year Results Presentation

24 February 2023

BetMakers Technology Group | ASX:BET

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This shareholder update is dated 24 February 2023.

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The **BetMakers** Way

We simplify betting.

At BetMakers, our mission is to power the excitement, growth and sustainability of racing globally.

In pursuit of this mission, we uphold our values:



Respected
and Trusted



Energetic
and Innovative



Pursuing
Excellence



Team
Mindset



Customer
First

ersonal use only

FY23 H1 Highlights

Group Financial Performance

- H1 FY23 revenues of \$46.7 million (+7.5% vs H1 FY22).
- H1 FY23 cash receipts from customers \$51.7m (+13.5% vs H1 FY22).
- 31 December 2022 cash balance of \$61m.

\$46.7m

H1 FY23 revenue

+7.5%

Growth vs H1 FY22 revenue

Operational Highlights: H1 FY23

- New Next Gen proprietary wagering platform successfully launched for betr brand during the spring carnival period.
- Successful launch of Global Tote Hub.
- Acquisition of Punting Form.
- Deal completed for distribution of racing.com vision in Australia.
- Launch of international fixed odds in Jamaica through Caymanas Park.

+\$51.7m

H1 FY23 cash receipts from customers

+13.5%

Growth vs H1 FY22 cash receipts from customers

Significant subsequent events

- Board strengthened with Matt Davey becoming Executive Chairman.
- Strong board governance with Non-Executive Directors including Nick Chan, Simon Dulhunty, Anna Massion and Rebekah Giles.
- Jake Henson appointed as CEO to deliver operational efficiencies and profitability.
- Todd Buckingham appointed as CGO to execute on International strategies.

\$61.0m

Cash balance as at 31 December 2022

Board and Management Changes



Matt Davey
Executive Chairman

Matt Davey has rejoined the Board as President and Executive Chairman.

Matt is a long-time supporter and former Board member of BetMakers. With over 25 years of experience within the digital media, sports, entertainment, leisure and gaming ecosystems. Matt has extensive experience in the public sector and will provide strategic direction and oversight to accelerate the delivery of optimisation and growth at BetMakers.



Jake Henson
Chief Executive Officer

Jake Henson has assumed the global Chief Executive Officer role.

Jake is an experienced wagering executive with a demonstrated track record across Strategy, Commercial, Technology, Customer Relationship Management, and Trading. Jake has a wealth of knowledge and is regarded highly by the board as a key executive who can capitalise on the global aspirations of the company.



Todd Buckingham
Chief Growth Officer

Formerly CEO, Todd Buckingham has become Chief Growth Officer.

In his new role, Todd will be laser focused on executing BetMakers' strategic growth initiatives, drawing on his extensive expertise, wagering knowledge and invaluable international network to execute on the growth opportunities that have been created in the business across international fixed odds and pool betting.



Martin Tripp
Chief Operating Officer

Martin Tripp has stepped into the Chief Operating Officer role.

An experienced leader, Martin has worked within the BetMakers business as Chief Product Officer since 2021. He has held a number of senior executive roles across Trading, Product, Operations and Analytics over his 20-year wagering career. Martin has been at the forefront of online wagering in the Australian market since its inception.

Summary of H1 FY23 Profit & Loss

| A\$'000s | H1 FY23 | H1 FY22 | Change |
|--|----------------|----------------|----------------|
| Revenue | 46,741 | 43,499 | 7.5% |
| Gross margin | 30,187 | 32,026 | -5.7% |
| Net foreign exchange gain | 120 | 548 | -78.1% |
| Interest revenue | 3 | - | n/m |
| Expenses | | | |
| Employee benefits expense | -34,010 | -21,279 | 59.8% |
| Professional fees | -4,077 | -3,232 | 26.1% |
| Administration expenses | -3,395 | -1,778 | 90.9% |
| IT expenses | -2,701 | -1,313 | 105.7% |
| Occupancy expenses | -877 | -1,742 | -49.7% |
| Other expenses | -682 | -918 | -25.7% |
| Adjusted EBITDA | -15,432 | 2,312 | -767.5% |
| Depreciation and amortisation expense | -4,819 | -6,076 | -20.7% |
| Share-based payments expense | -5,291 | -25,224 | -79.0% |
| Finance costs | -367 | -254 | 44.5% |
| Loss before income tax benefit | -25,908 | -29,242 | -11.4% |
| Income tax benefit | 5,964 | 1,425 | 318.5% |
| Loss after income tax benefit for the half-year | -19,945 | -27,817 | -28.3% |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | 2,306 | 605 | 281.2% |
| Total comprehensive income for the half-year | -17,639 | -27,212 | -35.2% |

H1 Revenue of \$46.7m

- +7.5% Year-on-Year (YoY) growth.

Gross Profit margin 65%. This is lower than in the prior corresponding period (pcp) due to:

- Global Betting Services GP margins were impacted by the upfront cost associated with the development of the Next Gen platform, and competitive market dynamics.
- Global Racing Network GP margins were impacted by the Penn Entertainment (formerly Penn National Gaming) content purchase and distribution contract from 1 July 2022, and lower initial revenues as the product matures.

Adjusted EBITDA of -\$15.4m

- Employment costs increased as additional staff deployed to develop and launch the Next Gen platform technology.
- IT expenses increased due to scaling of cloud environments and related tools while scaling efficiencies were implemented across the products.
- Share-based payments expense is a non-cash cost and primarily relates to the allocation of long-term incentives to staff.

Summary of H1 FY23 Cash Flow

| A\$'000s | H1 FY23 | H1 FY22 | Change |
|--|----------------|----------------|----------------|
| Cash flows from operating activities | | | |
| Receipts from customers | 51,673 | 45,530 | 13.5% |
| Payments to suppliers and employees | -61,485 | -44,380 | 38.5% |
| Government grants | - | 895 | n/m |
| Interest and other finance costs paid | - | -135 | n/m |
| Income taxes refunded/(paid) | 102 | -78 | -230.8% |
| Net cash (used in)/from operating activities | -9,710 | 1,832 | -630.0% |
| Cash flows from investing activities | | | |
| Payment for purchase of business, net of cash acquired | -4,460 | -6,235 | -28.5% |
| Payments for property, plant and equipment | -4,461 | -10,338 | -56.8% |
| Payments for intangibles and rights | -6,608 | - | n/m |
| Movement in customer operational funds held | 8,887 | -3,089 | -387.7% |
| Net cash used in investing activities | -6,642 | -19,662 | -66.2% |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 2,670 | 576 | 363.5% |
| Proceeds from shares to be issued | - | 8,161 | n/m |
| Payments for share buy-back | -12,096 | - | n/m |
| Repayment of lease liabilities | -1,125 | -826 | 36.2% |
| Net cash (used in)/from financing activities | -10,551 | 7,911 | -233.4% |
| Net decrease in cash and cash equivalents | -26,903 | -9,919 | 171.2% |
| Cash and cash equivalents at the beginning of the half-year | 87,550 | 120,608 | -27.4% |
| Effects of exchange rate changes on cash / cash equivalents | 305 | 191 | 59.7% |
| Cash and cash equivalents at the end of the half-year | 60,952 | 110,880 | -45.0% |

Cash flow from operating activities of -\$9.7m

- Investment in Next Gen platform combined with reduced revenues from managed trading services in competitive Australian spring racing period moved operating cashflow into negative territory.
- The Company is aiming to be operating cash flow positive in H2 FY2023.

Outflow from investing activities reduced by \$13m

- Acquisition of Punting Form.
- Capex on PPE reduced to \$4.5m as rollout of BetLine terminals in the Global Tote division matures.
- Payment for intangibles and right of \$6.6m mainly relates to acquisition of rights to Penn Entertainment content.
- The successful launch of The Global Tote Hub was the principal driver of customer operational funds held.

Financing cash flow includes \$12.1m share buyback

- Share buy back currently under review.

Cash of \$61m, with \$45m of unrestricted corporate cash

- Total cash of \$61m includes \$15.6m of restricted cash relating to customer operational funds.
- Unrestricted corporate cash position remains strong at \$45m.
- Nil debt.

H1 FY23 Divisional Update

GLOBAL BETTING SERVICES

- Launched the betr platform using BetMakers' proprietary Next Gen digital wagering platform. Platform launched to consumers on 12 October 2022 ahead of the Australian spring racing and Melbourne Cup carnival.
- On-boarded eight new platform operators during the quarter, taking the total to 26 (up from 18) platform and managed trading services customers as at 31 December 2022.
- Launched first full turn-key embedded race book solution into existing licensed operator not currently offering racing wagering products.
- Launched fixed odds wagering at Caymanas Park, Jamaica.

GLOBAL TOTE

- Launched Global Tote Hub to drive commingling of international tote pools and increase liquidity.
- Commenced implementation of new tote betting system in Norway under a 10-year agreement with Norsk Rikstoto.
- Delivered wagering application for UK Tote Group customers.
- Progressing with Caesars product offering and licensing requirements to deliver pari-mutuel betting racing services to retail sportsbook locations in Nevada.
- Processed record handle through World Pool initiative.
- Continued roll out of BetLine terminal hardware and technology in the US and into new markets.

GLOBAL RACING NETWORK

- Expanded wagering operator integrations and commencement of Penn Entertainment content distribution.
- Expanded fixed odds content distribution networks in European markets.
- Launched fixed odds offerings in New Jersey and Jamaica provide a platform for further content distribution.
- Installed proprietary barrier technology across Greyhound NSW tracks.
- Deployed proprietary racing integrity and reporting platforms into new global racing jurisdictions.
- Exported more than 12,000 races into international markets for US racing partners including Penn Entertainment, Monmouth Park, Kentucky Downs, Century Downs and others, through BetMakers' global network.

FY23 Strategic Focus

BetMakers Corporate

Aiming to be operating cash flow positive in H2 FY23

Align management to focus on execution to drive profitability

Realise operational efficiencies to reduce costs and drive scalability

GLOBAL BETTING SERVICES

- Continue to support betr as revenues progress from contract minimum over to share of Net Gaming Revenue, driving revenue growth in FY24.
- Expand BetMakers' proprietary Next Gen software into international markets.
- Full commercial launch in Jamaica and New Jersey with on-course, venue and digital wagering solution.
- Expand suite of content for fixed odds and tote and deliver into 90%+ of our existing network.
- Reporting and data – launch of global reporting engine for GBS customers.

GLOBAL TOTE

- Expand Global Tote Hub – increasing the number of customer integrations and pools operated.
- Global Race Day Control and monitoring center.
- Roll out all current terminal allocations across North America.
- Progress key pari-mutuel relationships such as Caesars expansion into Nevada and Norsk Rikstoto deployment of new tote system into Norwegian market.

GLOBAL RACING NETWORK

- Deploy tier one trading tools to optimise margin and efficiency.
- Continue to develop and leverage BetMakers' technology, such as the embedded race book solution, to facilitate penetration of fixed odds racing into new markets.
- Work with rights holders and wagering operators to improve the depth of the GRN (more content, being distributed further).
- Monetise existing content rights globally via integrations with third party wagering partners and via BetMakers' operated platforms (i.e. in Jamaica and New Jersey).

THANK YOU

Investor questions

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