

31 May 2023

BetMakers executes strategic operational restructure and accelerates path to profitability

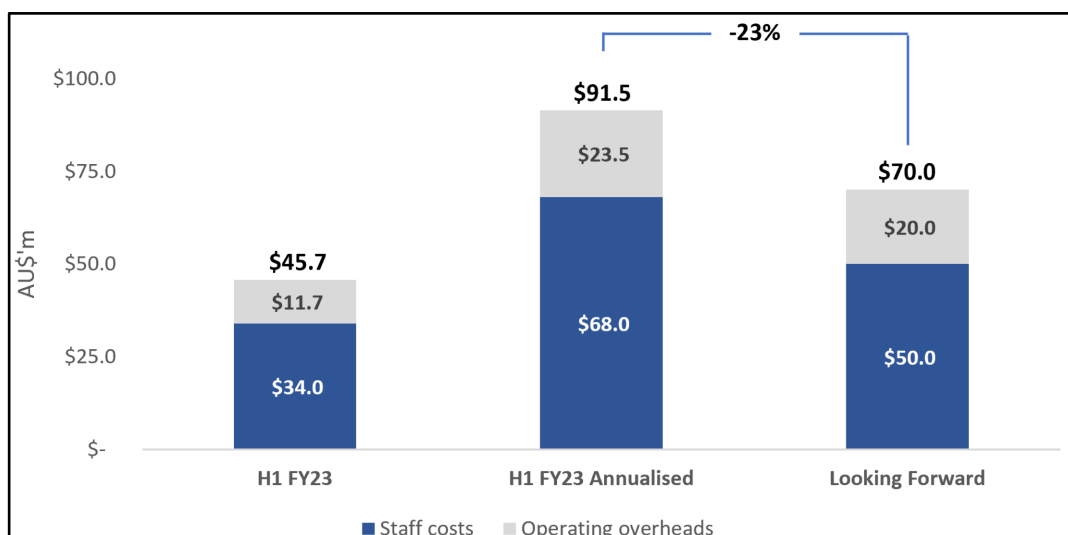
BetMakers Technology Group Limited (ASX:BET) ("**BetMakers**" or the "**Company**") is pleased to provide shareholders an update on its cost base reduction and global efficiencies program, which is expected to result in significant operating overhead reductions and savings across the business moving forward.

As announced on 31 January 2023, the Company made a number of Board and management changes to enable the optimisation of the business in order to reach its full potential. As noted by Nick Chan (Non-Executive Director):

"These changes are designed to affect a strategic reset of the business, with a clear focus on operational discipline, specifically a return to positive cashflows, cost efficiency, and optimal capital management."

During the past four months, the Company has undertaken a wide-ranging operational review and is pleased to provide the following material updates on progress to date:

- Normalisation of annualised staff and operating overheads of the business are expected to reduce from \$91.5m1 (H1 FY2023) to approximately \$70m (unaudited) from Q1 FY2024 (a decrease of 23%)².
- The reduction in cost is primarily driven by restructuring of global operations and technology.



¹ As per 31 December 2022 half year report. Includes all expenses multiplied by 2 - excluding 'Cost of goods sold', 'Depreciation and amortisation expense', 'Share-based payments expense', and 'Finance costs'.

² As per management forecasts reflecting the current operations of the business, the current headcount, and the expected further reduction in headcount as a result of completing the global efficiency program.

- Total number of employees is projected to be approximately 440³ in Q1 FY2024, compared with 568 as at 31 December 2022 (a reduction of 23%).
- The cost of executing the global efficiency program is expected to be between \$2.0m - \$2.5m⁴.

The operational restructure has been made possible by streamlining and consolidating key software offerings and leveraging technology monitoring and reporting capabilities. This in turn, has allowed the Company to streamline its operational infrastructure.

BetMakers Chief Executive Officer, Jake Henson, commented:

"The Company's cost base has been reset on the back of the deployment of proprietary technology and a strategic review of our operating model.

BetMakers is committed to providing long-term value to shareholders and this restructuring is an essential step towards achieving that goal. The changes made aim to provide the business with a clear path to profitability while also providing a more streamlined operating structure to maximise future growth opportunities.

For our customers, who are at the core of our value creation process, we are committed to delivering best-in-class levels of service and quality. The investments in our technology and the extended rollout of our platforms and products into all regions both domestically and globally will support this ongoing commitment."

BetMakers Executive Chairman, Matt Davey, commented:

"As detailed when we presented our Q2 FY23 results⁵, and reiterated in our Q3 FY23 announcement⁶, the Company is focused on delivering operational efficiencies, simplifying our global operating model, and positioning the Company for profitable growth.

Management and our global team have delivered on this promise, and we now expect the Company to be well positioned to drive operating leverage as we expand our revenue base.

Importantly, this restructure will allow increased focus on our core platform and products, improving the benefits and value we can deliver to our domestic and international customers."

Matt Davey, Executive Chairman, authorised the release of this announcement to ASX.

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³ As per management forecasts reflecting the current headcount, and the expected further reduction in headcount as a result of completing the global efficiency program.

⁴ Calculated based on the actual costs incurred to date and management's estimated costs to be incurred in relation to redundancy costs, associated third party advisor costs and internal abnormal costs incurred as part of executing the global efficiencies program.

⁵ See Announcement released on 31 January 2023.

⁶ See Announcement released on 28 April 2023.

Disclaimer

The material contained in this document is of general information about the activities of BetMakers as at the date of this update. All monetary figures quoted within this document are in Australian dollars (\$AUD) unless otherwise specified and provided on an unaudited basis.

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.

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