



FY23 Financial Results

INVESTOR UPDATE

30 August 2023

BetMakers Technology Group | ASX:BET

Internal use only

Disclaimer

This shareholder update is dated 30 August 2023.

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This update 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. The forward-looking statements contained within the update 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 the 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; conduct of contracted counter parties; whether 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.

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A photograph of three jockeys on horses during a race. The jockey in the foreground is wearing a red helmet with a white 'R' and a white and red outfit. The jockey in the middle is wearing a pink helmet and a yellow and pink outfit. The jockey in the background is wearing a green and yellow outfit with a white helmet. The horses are brown and are running on a grassy track. A vertical watermark 'mal use only' is visible on the left side of the image.

WE SIMPLIFY BETTING

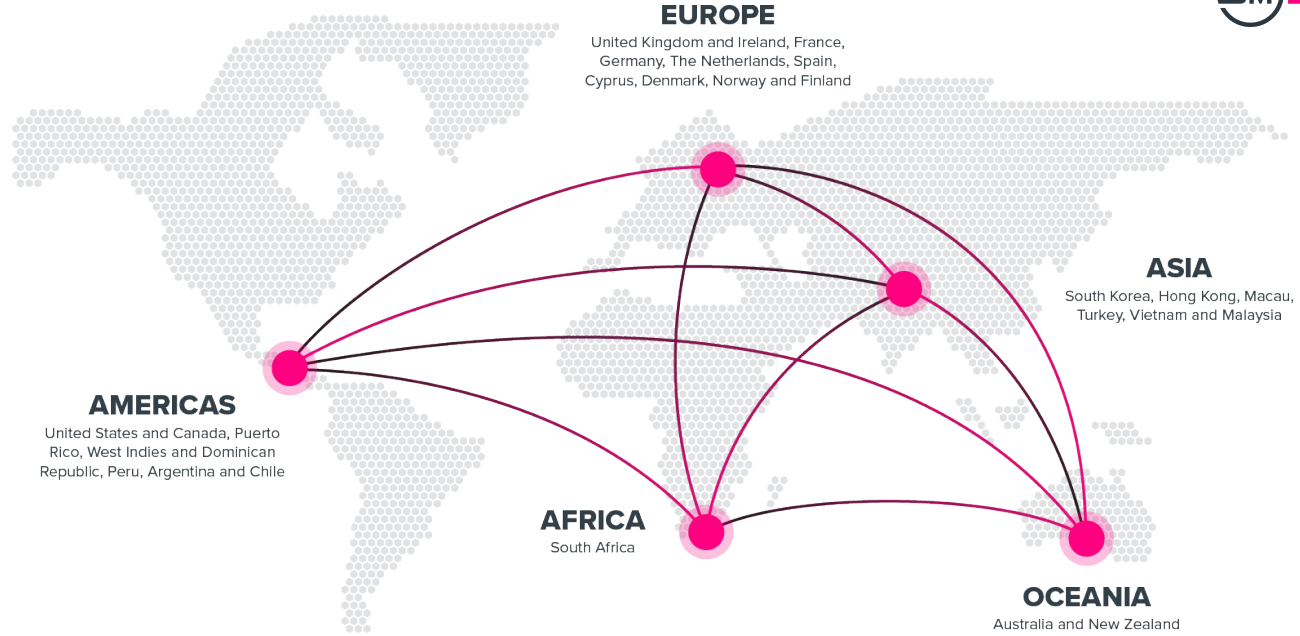
Our mission is to power excitement, growth and sustainability of wagering globally.

BetMakers Technology Group (ASX:BET) is a leading provider of advanced technology and service solutions that empower racing and betting industry stakeholders to evolve and grow the sport of racing.

Our solutions help monetise racing at every stage of the life cycle, with technologies and services delivered to bookmakers, pari-mutuel wagering operators, racing bodies, and racing authorities across the world's major racing and betting markets.

Global Footprint

BetMakers holds a leading presence in the world's major racing and betting markets.



30+

active countries

60+

online wagering operators

225+

racing partners

45+

regulatory licences

456

employees
(at June 30, 2023)

11

worldwide offices

Our Divisions

GLOBAL BETTING SERVICES

PRODUCTS

Platform Development

Fixed Odds Pricing

Data Lifecycle

Form & Content

Managed Trading Services

Embedded Racebook

CUSTOMERS

Waging Operators

Media & Content Suppliers

Aggregators & Affiliates

GLOBAL TOTE

PRODUCTS

Quantum™ Tote Engine

Tote Hosting

Tote Pooling

Betting Terminals

Venue Services

Interface Management

CUSTOMERS

Racetracks

Retail Wagering Venues

Online Wagering Operators

GLOBAL RACING NETWORK

PRODUCTS

Official Price

Race Day Controls

Rights Partnerships

Racing Vision

Integrity Platform

Reporting & Analysis

CUSTOMERS

Racetracks

Rights Holders

Regulators

Full Year 2023

Highlights



OPERATIONAL HIGHLIGHTS

- Invested in the development of the NextGen wagering platform and managed trading technology.
- Progressed international fixed odds racing product and content in the US and Jamaica and launched the USA's first legal racing fixed odds mobile app.
- Expanded content distribution rights and partnerships in global markets including an enhanced content distribution relationship with Stronach's 1/ST Content.
- Restructured Board and management to accelerate the delivery of business optimisation and growth.
- Commenced program to reduce and optimise the Company's cost base.

\$95.0m

FY23 REVENUE

+3.7%

GROWTH VS. FY22 REVENUE

\$99.0m

FY23 CASH RECEIPTS FROM CUSTOMERS

+7.3%

GROWTH VS. FY22 CASH RECEIPTS FROM CUSTOMERS

\$41.0m

CASH BALANCE AS AT 30 JUNE 2023¹

¹ Includes "restricted cash" balance of \$9.6m (customer funds held on deposit in relation to Global Tote and ADW operations). Net "un-restricted" cash balance at 30 June 2023 is \$31.4m.



Key Areas of Management Focus

The Company is focused on continuing to grow as a B2B supplier to the racing and wagering industries.

1.

CONTINUE TO SIMPLIFY THE GLOBAL OPERATING MODEL

2.

DRIVE OPERATING SCALE THROUGH TECHNOLOGY

3.

DELIVER ON THE CURRENT OPPORTUNITIES

4.

INVESTING IN GROWTH

Simplify the **Global Operating Model**

Restructuring management to better align business focus and streamline internal communications and delivery:

- **Matt Davey appointed to the Board as President and Executive Chairman**
With a deep knowledge of the US gaming and wagering market, and a proven track record of growing company value, Matt will provide strategic direction, oversight and prioritisation.
- **Jake Henson appointed Chief Executive Officer**
Jake will focus on driving the operational excellence of the business and optimising profitability.
- **Todd Buckingham appointed Chief Growth Officer**
Todd, a founder of BET, will focus on developing and executing on international strategy and opportunities.
- **Chelsey Abbott appointed Chief People Officer**
Chelsey has been leading the People & Culture division of BET for 2 years and is critical in executing the strategic restructure and streamlining resources for optimisation and growth.
- **Christian Stuart departs as North American CEO**
US operations are now further streamlined into the relevant business divisions.

REFINED SALES FOCUS ON CORE PRODUCTS:

- Global Tote – digital and new systems
- Managed Trading Services
- API and Data solutions
- Embedded turn-key racebooks



**MATT
DAVEY**



**JAKE
HENSON**



**TODD
BUCKINGHAM**

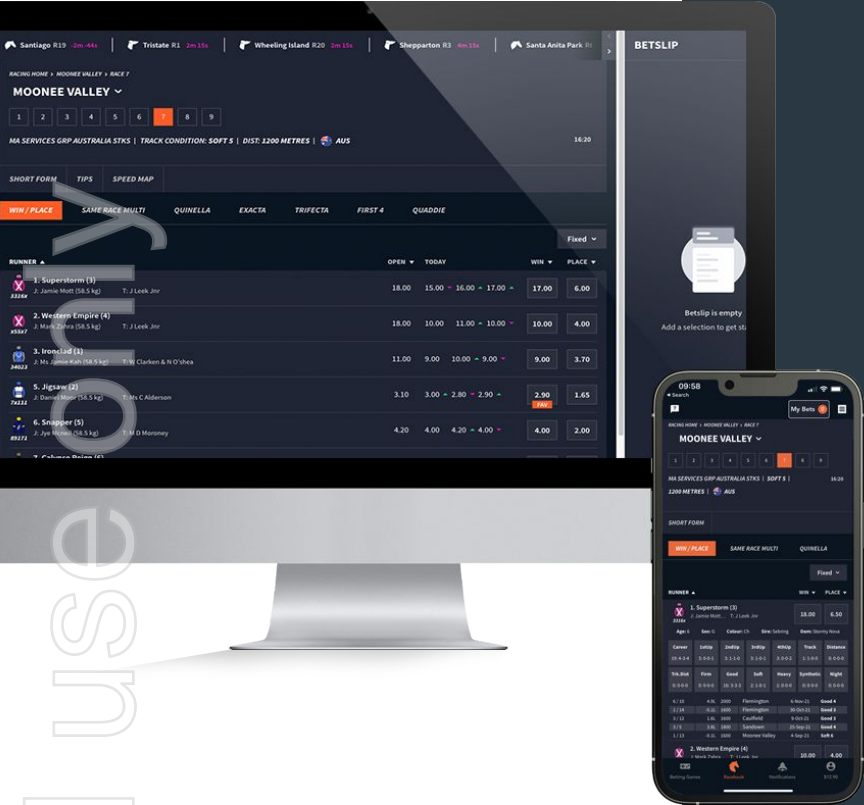


**CHELSEY
ABBOTT**

Drive Operating Scale Through Technology

The Company has commenced the consolidation of legacy technology and streamlining of product suites and customer offerings to allow more focused development investment, improved product offering for customers and more operating margin to the business.

- Streamlining of platform MTS offering – migration of Australian platform clients to an upgraded version
- Consolidation of tote wagering platforms globally including in the US
- Utilising full stack platform offering to drive turn-key embedded racebook solutions
- The Company expects to upgrade more than 40 existing platforms clients globally over the next 18 months
- Consolidation of racing data offerings into a streamlined single integration – DynamicOdds, Form Cruncher and Punting Form



Deliver on the **Current Opportunities**

GLOBAL TOTE ///™

RIKSTOTO (NORWAY)

BetMakers is contracted as the tote technology and services provider for the country of Norway under a 10-year agreement with Norsk Rikstoto¹. BetMakers is continuing to work with the client to design and develop the wagering solution (expected launch H2 FY24).

EXTENDED AND SECURED KEY PARTNERSHIPS

BetMakers Global Tote division has executed key extensions with global racing partners such as Parx Racing, Penn Entertainment & Caesars.

GLOBAL BETTING SERVICES ///™

CAESARS EMBEDDED PARI-MUTUEL RACEBOOK

BetMakers signed to become the exclusive provider of Pari-mutuel racing services for Caesars Entertainment Inc's physical retail sportsbook locations in Nevada. In early FY23, BetMakers launched the initial venue at Council Bluffs (Iowa).

After successful field trials, a wider deployment of the middleware software solution into the remaining 26 Nevada locations is expected to be completed in H2 FY24.

EMBEDDED FIXED-ODDS RACEBOOK

BetMakers has recently signed an agreement with global sports betting and iGaming brand TonyBet for its turn-key embedded racebook solution to be used across global markets.

GLOBAL RACING NETWORK ///™

DISTRIBUTION OF PENN ENTERTAINMENT CONTENT

In April 2023 the Company executed a non-binding term sheet with Stronach Group's 1/ST Content for distribution of BetMakers' Global Racing Network's ("GRN") race meetings into international wagering markets².

This commercial relationship commenced 1 May 2023 and is providing extended distribution and monetisation of GRN's North American thoroughbred content.

¹ See ASX announcement dated 23 May 2022, "BetMakers selected as new tote provider in Norway"

² See ASX announcement dated 3 April 2023, "North American Racing and Key Management Update"

International Fixed Odds Update

BetMakers has been appointed as the exclusive agent to manage Fixed Odds in New Jersey, the first state to approve in the US, as well as in Jamaica, the first approval in the Caribbean.

Where are we at in the process:

- Launched on course at Monmouth Park through teller and self-service terminals as well as online in New Jersey via MonmouthBets
- Launched at Caymanas Park on teller and self-service terminals

While the Company continues to discuss Fixed Odds opportunities in other states regions, the focus will be on establishing the markets it has already unlocked in New Jersey and Jamaica.



NEXT STEPS...

New Jersey

Increase content and product depth for NJ and MonmouthBets

Generate strong metrics for sportsbooks to observe on first time depositors and active users.

Onboard Sportsbook(s) to launch a fixed odds racing book in NJ

Jamaica

Launch Online site CaymanasBet (Subject to regulator platform approval)

Expand into Supreme Ventures OTB network throughout Jamaica

Onboard new Sportsbooks (Subject to licensing approvals)

Investing in Growth

BetMakers set the stage for future growth with FY23 investment in technology and operations.

- Developed and launched the NextGen platform resulting in an asset that the Company will leverage to:
 - ➔ Enhance the technology solutions available to our 25+ Australian platform clients
 - ➔ Improve the digital experience across our North American ADW customers
 - ➔ Upgrade the embedded racing solution for global sportsbooks
- Upgraded the US Fixed Ddds Platform and introduced iOS/Android apps to further strengthen our offering for fixed odds expansion and growth internationally
- Designed and developed the Norsk Rikstoto and Caesars wagering solutions, enhancing the Quantum™ Tote Engine Technology and positioning for launches in FY24
- Expanded GRN's global content offering, including new fixed odds racing content for New Jersey, to increase opportunities for growth in fixed odds wagering
- Achieved ISO27001 certification to strengthen security and quality and enhance the Company's solutions
- Acquired Punting Form to strengthen BetMakers' position as one of the leading global providers of B2B data and technology services for horse racing.



“In H1 the Company invested substantially in order to deliver new technology and new customers.”

— Jake Henson, CEO

Unpacking the EBITDA

Negative adjusted EBITDA for FY23 of \$28m.

Within that result, the Company has made a significant investment of approximately \$15m for future growth:

- ~\$7m¹ Investment into the international fixed odds opportunity.
- ~\$8m² Investment into the development of products for future growth (all costs incurred in relation to internally generated intangible assets are expensed in the period incurred).

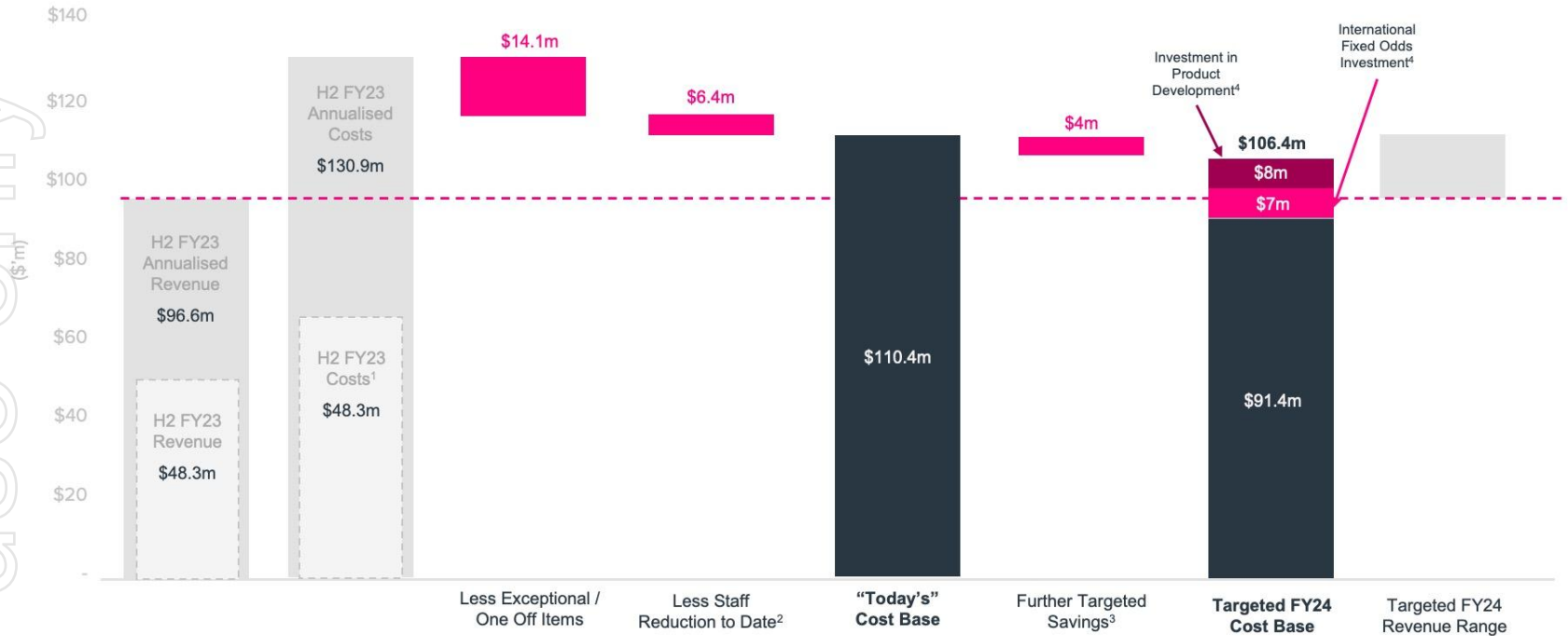
Excluding the above investment, the Company had a negative adjusted EBITDA of \$13m relating to the revenue generating opportunities present in FY23.

	2023 \$'000
Revenue	95,027
Gross margin	59,176
Loss before income tax	(53,399)
Add/(Less) back:	
Depreciation and amortisation	11,793
Finance costs	649
Share-based payments expense	8,349
Impairment of assets	8,870
Deal costs	3,419
Impairment of receivables	–
Gain on valuation of financial liabilities	(7,500)
Adjusted EBITDA	(27,819)

¹ Investment made includes the cost of content, staff, operations and contractual guarantees incurred in relation to international fixed odds in FY23.

² The Company does not capitalise the cost of internally generated intangible assets. This figure represents management's estimate of the expense incurred in FY23 in relation to the development of internally generated intangible assets.

FY24 Normalising the Cost Base



¹ H2 FY23 costs equals "Cost of sales + Employee benefits expense + Professional fees + Administrative expenses + IT expenses + Occupancy expenses + Other expenses".

² Staff Reduction to Date - Represents the variance in estimated annual staff costs between what was incurred in H2 FY23, compared to the headcount as at 1 August 2023.

³ Further Targeted Savings - Represents expected annual savings to be achieved through further operational restructuring and efficiencies.

⁴ Based on FY23 estimates of related investment. See slide 13 for further detail.



FY24 Outlook

- Focused on reducing and managing the cost base to under \$110m for FY24, which is expected to include ~\$15m of strategic investment in international fixed odds and product development.
- Forecasting low double digit revenue growth in FY24 compared to FY23.
- Finished FY23 with unrestricted cash of \$31.4m.
- Forecasting to maintain unrestricted cash reserves of at least \$20m throughout FY24.
- Focused on reaching a point of positive monthly operational cash flow and delivering positive adjusted EBITDA.

INVESTOR QUESTIONS

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investors@betmakers.com

