

Q4 FY21 Quarterly Activities Report for the period ending 30 June 2021

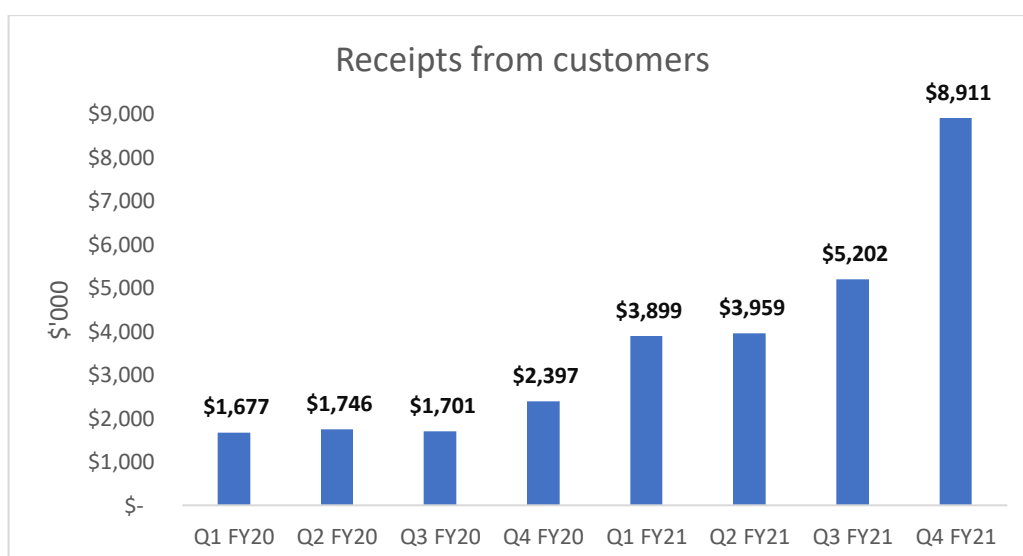
\$8.9 MILLION IN CASH RECEIPTS - UP 71% ON PREVIOUS QUARTER

Quarterly highlights

- **\$8.9mil in cash receipts from customers in Q4 FY21**
- **71% increase versus Q3 FY21 and 272% increase versus Q4 FY20**
- **Completion of acquisition of Sportech racing, tote and digital business**
- **Fixed Odds Bill passed unanimously in Senate and General Assembly in New Jersey**
- **Acquisition of Form Cruncher and Swopstakes assets**
- **Placement shares issued to wagering industry leader Matt Tripp**
- **Closing cash balance of \$120mil**

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 Q4 FY21, the quarter ending 30 June 2021.

The Company recorded its strongest quarter to date with \$8.91mil in cash receipts from customers in Q4 FY21. This was up from \$5.2mil (+75%) on the previous quarter (Q3 FY21) and a (+272%) increase on comparison Q4 FY20. A summary of the Company's historic quarterly performance is tabled below:



The revenue growth in Q4 FY21 was derived from a significant increase in activity in the Australian market and a positive early result from the Company implementing its international expansion plans. The Company announced the completion of the Sportech PLC ("Sportech") asset acquisition on the 17th



June and the reported numbers for Q4 FY21 include approximately two weeks of cashflows from the Sportech racing, tote and digital business that has been acquired by BetMakers.

The Company finished Q4 FY21 with more than \$120 million in cash and continues to operate without any debt.

BetMakers intends to be strategic and opportunistic with sustained investment in its B2B wagering technology and data platforms. This includes software and hardware wagering products, as well as content acquisition for its Global Racing Network, and Global Tote expansion. During the quarter, the Company invested \$1.5 million in technology and hardware as part of its strategy to enhance the racing and wagering experience in the United States. Investments are intended to fully capitalise on multiple international opportunities that the Company has created in the United States and other countries, while also maximising potential returns within the Australian market.

Company CEO Todd Buckingham said: *“The past quarter is a very pleasing result for the Company. We have seen an impressive uplift on our strong base of domestic operations while also capturing growth in global markets that we have identified as having the potential to be opportunities for us to expand our B2B wagering technology products and services globally as they continue to develop.*

“BetMakers has a very clear strategy for growth in Australia and internationally. This includes in the United States where our Fixed Odds plans, starting in New Jersey, progressed during Q4 FY21 after being passed unanimously by the Senate and General Assembly.

“I am especially pleased that we have completed the acquisition of Sportech’s racing, tote and digital assets during Q4 FY21. This material acquisition is a cornerstone of our future plans and we are delighted to have welcomed staff within these businesses into the BetMakers’ team.

“With a clear strategy, focused management, highly-skilled global staff and the opening up of sizeable opportunities across the world wagering markets, we feel that BetMakers is well placed to build upon the foundations it has now established.”

Highlights during Q4 FY21 included:

COMPLETION OF ACQUISITION OF SPORTECH RACING, TOTE AND DIGITAL BUSINESS

BetMakers completed the acquisition of the racing, tote and digital business from Sportech as announced on 18 June 2021 (BetMakers made payment of £24.7 million as part of the completion process).

The acquisition of the Sportech assets enhances BetMakers’ position to capitalise on growth opportunities in international wagering markets and is anticipated to materially expand the Company’s global customer base, technology and geographic reach.



These assets provide BetMakers with a platform to target growth in the United States, including with respect to Pari Mutuel and Fixed Odds wagering.

As previously announced to the ASX on 1 December 2020, the business assets acquired by BetMakers comprise the following:

- **Americas Tote Business:** providing betting solutions, hardware, and operational services to over 200 racetrack, casino, and betting venues to more than 50 customers across the United States, Canada and Latin America.
- **Americas Digital Business:** providing white-label digital betting solutions to more than 25 customers in North America.
- **UK and European Tote Business:** providing betting technology, parimutuel and co- mingling services to more than 35 customers across the UK, Ireland, Europe, and Asia.
- **Quantum™ Tote Technology:** a world-leading tote betting engine currently used internationally and including for events such as the Breeders Cup and Royal Ascot race meetings.

FIXED ODDS BILL PASSED UNANIMOUSLY IN BOTH SENATE AND GENERAL ASSEMBLY IN NEW JERSEY

BetMakers announced to the market on 22 June 2021 that a Bill to *“authorise fixed odds wagering on horse races through fixed odds wagering system”* (“Fixed Odds Bill”) was passed unanimously in both the Senate and General Assembly in New Jersey.

The Senate voted 40-0 in favour of the “Fixed Odds Bill” after amendments were made to accommodate the horsemen groups and stakeholders. The “Fixed Odds Bill” was then declared passed after a unanimous 71-0 vote in favour by the General Assembly.

As a part of the formal legislative process, the Bill has been sent to the Governor of New Jersey for approval to become law.

As previously announced to the market, BetMakers has secured an exclusive 10-year agreement with New Jersey Thoroughbred Horsemen Association and Darby Development LLC., the operator of Monmouth Park racetrack, to deliver and manage Fixed Odds thoroughbred horse racing into New Jersey. Please see the Company’s announcements dated 5 February 2020, 3 July 2020 and 21 May 2021 for further information regarding this agreement.

ACQUISITION OF FORM CRUNCHER AND SWOPSTAKES ASSETS

BetMakers announced to the market on 23 June 2021 that it (and its wholly owned subsidiary, BetMakers DNA Pty Ltd (“BDNA”)) had entered into agreements pursuant to which BDNA has acquired the technology platform assets, databases and intellectual property of racing data company Form Cruncher Pty Ltd (“Form Cruncher”) and technology and intellectual property associated with the Swopstakes betting product from the parent company of Swopstakes Australia Pty Ltd (“Swopstakes”).



Form Cruncher processes racing event data such as odds, price fluctuations, sectional times and results to create advanced form information and dynamic content that can be adapted and customised globally. Features include: Race and runner ratings, Speed ratings and maps, Runner comments, Race overviews and suggested tips that can be customised to suit each platform partner's 'Branding and language'. No cash payments were made during the quarter in relation to the acquisition of the Form Cruncher assets.

Swopstakes is a wagering platform, specifically developed to run sweepstakes on racing and sports events including AFL, NRL, NBA and NFL. Swopstakes' proprietary betting product allows customers to purchase tickets in featured events and play tournament-style live games on real racing and sports events. Players can buy, sell or swap tickets during the course of an event until one ticket holder is eventually the winner. The Company paid \$634,750 (plus GST) during the quarter in relation to the acquisition of the Swopstakes assets.

PLACEMENT SHARES ISSUED TO MATT TRIPP

On 29 April 2021, and following the general meeting ("EGM") of BetMakers Technology Group Limited held on 26 April 2021, BetMakers advised it had issued 35,714,285 fully paid ordinary shares in the Company ("Placement Shares"), to raise A\$25 million (before costs) at A\$0.70 per Placement Share, to wagering industry leader Matt Tripp as part of a Strategic Partnership with BetMakers.

OTHER COSTS INCLUDED IN QUARTER

The Company paid Directors \$151,000 for services during Q4 FY21. This included payment to the Chief Executive Officer for employment services as CEO.

The Appendix 4C for the quarter ending 30 June 2021 is attached to this announcement.

* Unless otherwise specified, all amounts are provided in AUD and on an unaudited basis.

For further information please contact

Charly Duffy

Company Secretary

companysecretary@thebetmakers.com

+ 61 (0) 409 083 780

Jane Morgan

Investor and Media Relations

investors@thebetmakers.com

+ 61 (0) 405 555 618

Todd Buckingham, Managing Director of BetMakers, 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.

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")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,911	21,971
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,806)	(7,479)
(c) advertising and marketing	1	(118)
(d) leased assets	(243)	(483)
(e) staff costs	(3,244)	(8,548)
(f) administration and corporate costs	(1,887)	(5,433)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(17)
1.6 Income taxes paid	(76)	(101)
1.7 Government grants and tax incentives	-	584
1.8 Other (provide details if material)	(8)	(377)
1.9 Net cash from / (used in) operating activities	648	(1)

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2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(40,026)	(52,011)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) property, plant and equipment	(1,603)	(1,938)
	(d) investments	-	-
	(e) intellectual property	(698)	(698)
	(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)	6,558	6,558
2.6	Net cash from / (used in) investing activities	(35,769)	(48,089)

2.1 (b) Relates to funds paid at the Sportech completion and associated advisor fees (\$45.2m), less unrestricted cash acquired as part of the transaction (\$5.2m)

2.1 (e) Relates to funds paid to acquire the Swopstakes IP as announced on 23 June 2021.

2.5 Cash inflows for the quarter represents restricted cash held by Sportech US operations on behalf of customers. These funds were acquired as part of the Sportech Racing acquisition which completed on 17 June 2021. Funds will vary quarter-on-quarter as amounts are settled with customers.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	25,000	134,957
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6,192	7,853
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(4,432)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(392)	(1,313)
3.10	Net cash from / (used in) financing activities	30,800	137,065

3.1 Relates to proceeds received from Matt Tripp as part of the strategic investment announced 17 February 2021.

3.3 Proceeds from exercise of options relates to funds received from Waterhouse VC ahead of the converting of their Performance Rights and options, which occurred in July 2021.

3.9 Other relates to payments made to establish a Managed Trading Services ("MTS") trading float. Contributions made are repayable upon the termination of the MTS arrangement.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	125,777	31,625
4.2	Net cash from / (used in) operating activities (item 1.9 above)	648	(1)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(35,769)	(48,089)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	30,800	137,065
4.5	Effect of movement in exchange rates on cash held	(845)	11
4.6	Cash and cash equivalents at end of period	120,611	120,611

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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	120,611	125,777
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)	120,611	125,777

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	151
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

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

7.5 Unused financing facilities available at quarter end	-
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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)	648
8.2 Cash and cash equivalents at quarter end (Item 4.6)	120,611
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	120,611
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	n/a

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

- 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: 26 July 2021.....

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.