

BetMakers

INVESTOR PRESENTATION FY2020

BetMakers Technology Group - ASX : BET

OVERVIEW OF OPERATIONS

Summary of Key Business Areas

BetMakers provides critical software services to the racing industry, from racing bodies and rights holders, to wagering operators globally.



BetMakers services racing stakeholders with its proprietary technology which is scalable and applicable to global markets.

WHO USES BETMAKERS' SERVICES

Racing Bodies, Rights Holders & Wagering Operators

Racing Bodies & Rights Holders



Wagering Operators



BetMakers Technology Group
August 2020

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FY2020 YEAR IN REVIEW

General Overview



GROWTH IN CUSTOMERS	GROWTH IN MARKETS	PRODUCT EXPANSION
Extend global deals (e.g. GVC and William Hill)	U.S. Strategy (Signed exclusive New Jersey deal)	Integrity Platform
Taking oncourse bookies online (e.g. Rob Waterhouse & Mark Sampieri)	Australian Growth (Expanded domestic clients and product offering)	Global Racing Network
Extending global platform deals (e.g. ProNet Gaming)	U.K. Expansion (Expanded relationships with key European clients)	Managed Trading Services

FY2020 FINANCIAL SNAPSHOT

Profit & Loss

REVENUE
$9.2 MILLION

FY2020 Revenue

+34%
Increase of $2.3 million vs FY2019 revenue

GROSS PROFIT
$6.3 MILLION

FY2020 Gross profit; 74% GP margin

+88%
Increase of $3.0 million vs FY2019 Gross Profit (GP margin improvement from 55% to 74%)

EBITDA [1]
$0.8 MILLION

FY2020 Adjusted EBITDA[1]; 10% Adjusted EBITDA margin [1]

+$2.9 Million
Increase of $2.9 million vs FY2019 adjusted EBITDA [1]

Balance Sheet

CASH
$31.6 MILLION

+ $31.2 Million
Increase of $31.2 million vs 30 June 2019 cash balance

DEBT
$0

- $10 Million
Eliminated $10.0 million of outstanding amounts payable in relation to the acquisitions of DynamicOdds and GBS

SHARE PRICE
42.5 CENTS
30 JUNE 2020

+944%
944% share price growth since 30 June 2019

[1] : adjusted EBITDA excludes the P&L impact in relation to employee loan impairment/reversal of impairment, and Share Based Payments expense.

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REVENUE

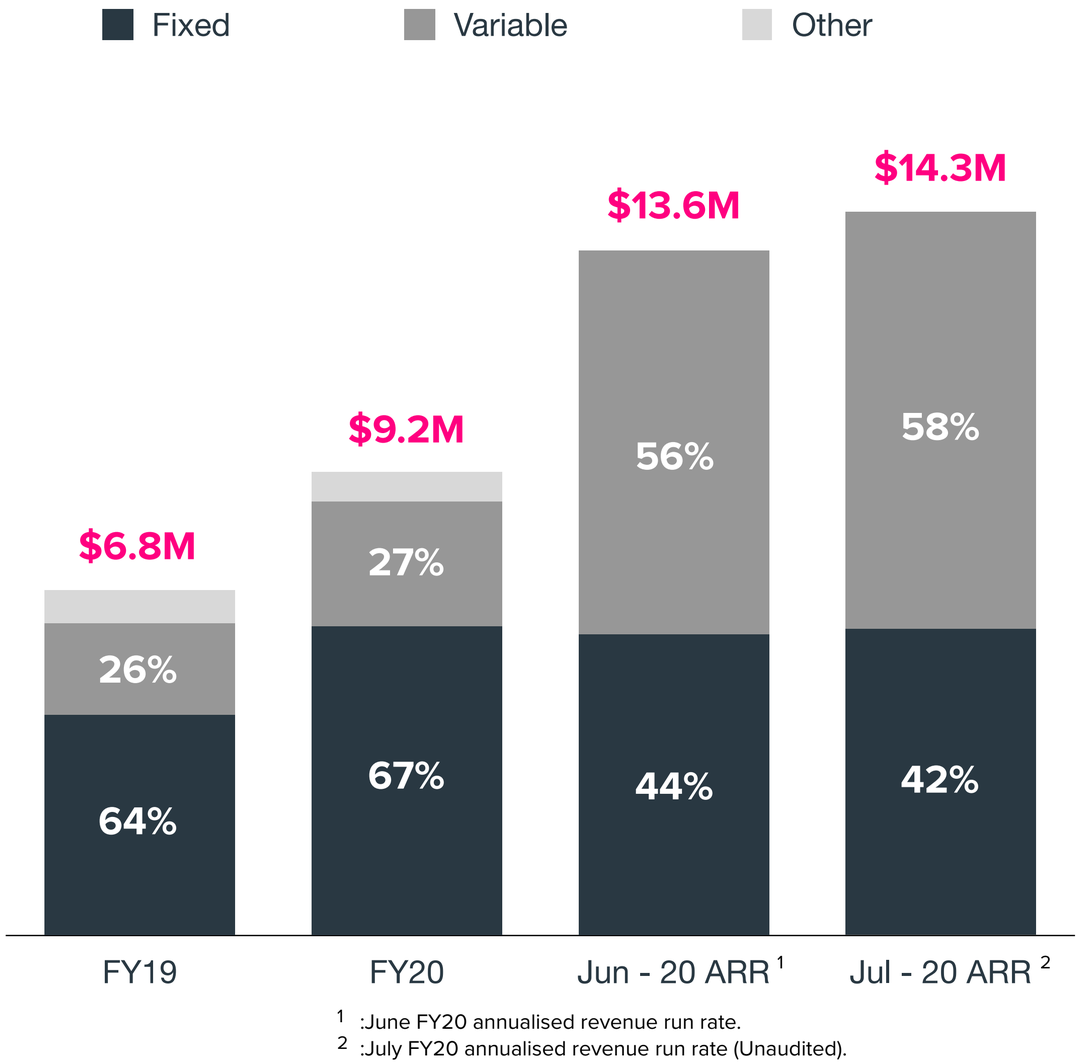
Fixed Fee v Revenue Share

Shift from fixed fee to variable revenue model

Management has been focusing on shifting the commercial model for new products and new customers to be more aligned with its customers financial performance – offering % of turnover or % of revenue deals giving customers flexibility with products and services.

The variable revenue model enables BetMakers to earn between 0.5%-3% of client racing turnover, whilst providing the clients with a flexible cost base. This model is expected to improve revenue, profits and growth compared to the traditional fixed fee model.

The key contributors to this shift are our products such as content distribution (i.e. the Global Racing Network), white label platform offerings, and Managed Trading Services.



1 :June FY20 annualised revenue run rate.
2 :July FY20 annualised revenue run rate (Unaudited).

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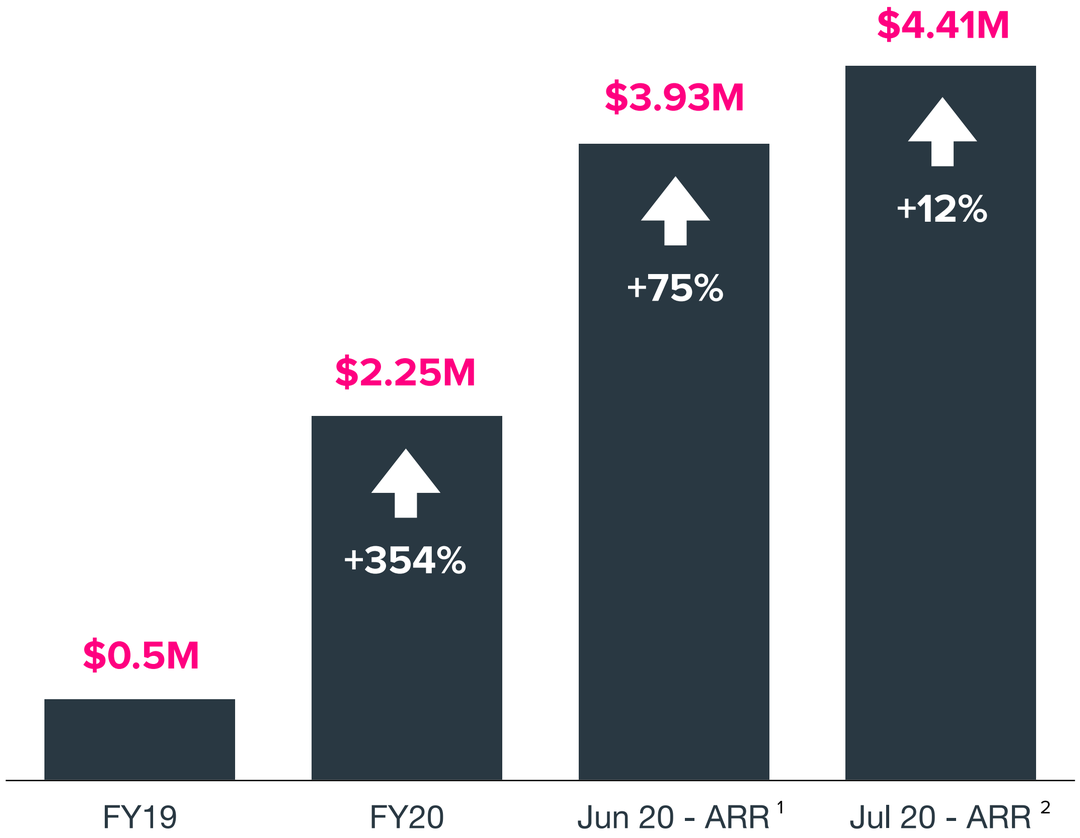
REVENUE PRODUCT SEGMENT

Racing Bodies (Content & Integrity)



FY19 > +354% FY20 > +75% JRR [1]

This includes services offered to racing bodies such as integrity systems, on track technology solutions and content distribution. This division continues to show strong growth primarily driven by the increased content distribution facilitated by BetMakers. More content to more bookmakers than ever before.



1 :June FY20 annualised revenue run rate.
2 :July FY20 annualised revenue run rate (Unaudited).

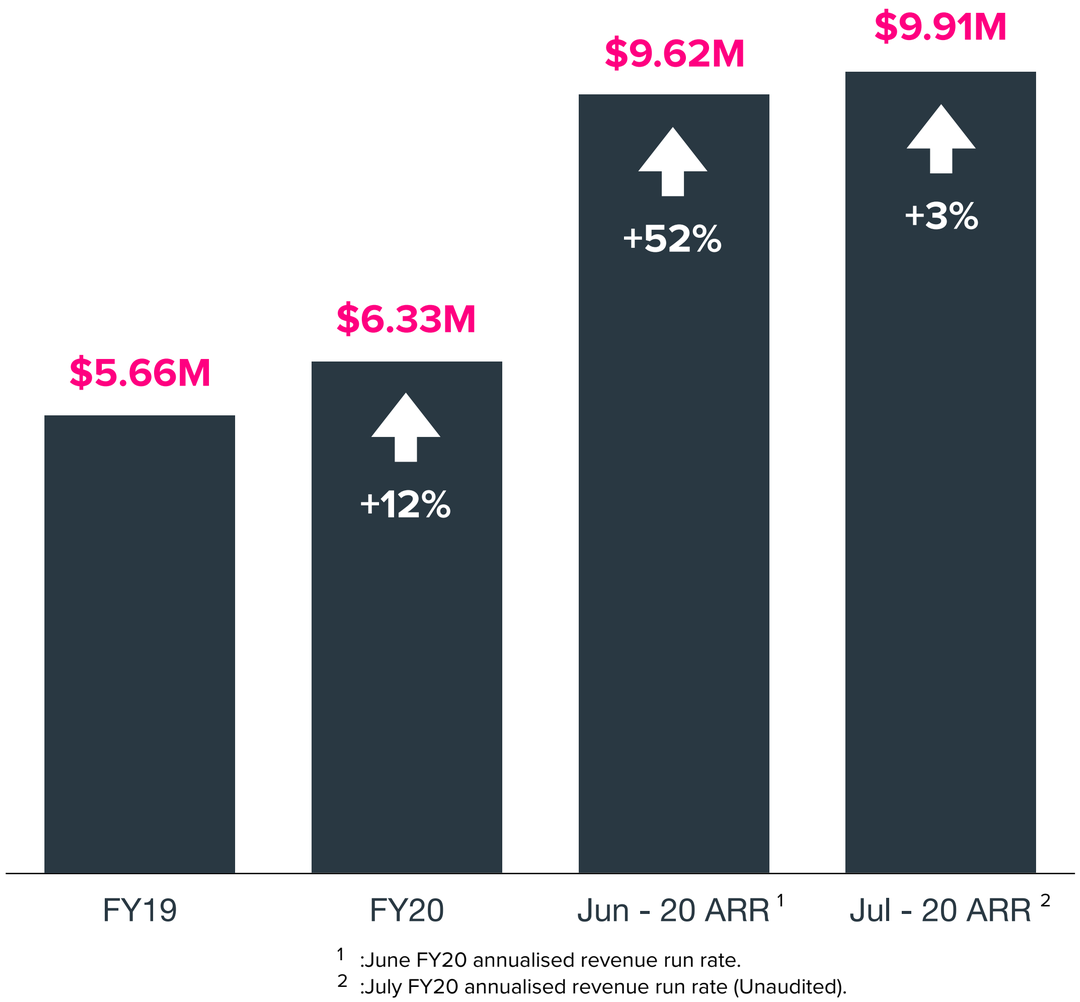
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REVENUE PRODUCT SEGMENT

Bookmakers (Wholesale Wagering Products)





FY19 > +12% FY20 > +52% JRR [1]

This includes services offered to wagering operators such as Price Manager, data supply, white label platforms and Managed Trading Services. This division continued to perform well during FY2020 supported by the roll out of platform clients and Managed Trading Services.

1 :June FY20 annualised revenue run rate.
2 :July FY20 annualised revenue run rate (Unaudited).

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PROFIT & LOSS

	H1 FY19 $'000	H2 FY19 $'000	H1 FY20 $'000	H2 FY20 $'000
Revenue	2,780	3,379	4,038	4,543
- growth		*21.5%*	*19.5%*	*12.5%*
Gross Profit	1,118	2,251	3,192	3,141
- margin	*40.2%*	*66.6%*	*79.0%*	*69.1%*
Loss after income tax	(1,786)	(1,818)	(556)	(1,584)
EBITDA	(2,185)	(590)	644	(437)
- margin	*-78.6%*	*-17.5%*	*16.0%*	*-9.6%*
Adjusted EBITDA [1]	(1,945)	(136)	574	259
- margin	*-70.0%*	*-4.0%*	*14.2%*	*5.7%*
Closing cash balance	301	453	2,699	31,625
Financial liabilities [2]	(15,000)	(10,000)	(4,000)	-

Revenue

- Growth with expansion of clients and new products.
- Launch of new products in FY2020 H2 (i.e. platforms, MTS, New Jersey) not fully realised.

Investment in Growth (H2 FY2020)

- Increased headcount by almost 50% since December 2019.
- H2 direct US expenditure in excess of $300k.
- Since December 2019, monthly infrastructure costs have approximately doubled to support the newly launched clients and products, and others in initial testing/ integration phase.
- The Company has made a conscious decision to invest in new growth areas such as the North American market. This is expected to result in lower short term profitability, but higher long term revenues and profitability.
- Margins are expected to fluctuate in the medium term as new products scale and the Company's product mix settles.
- New products such as content distribution and MTS often involve 'paying back' a % of revenue to racing body/partner. Growing revenue from these products will result in higher revenue and lower Gross Profit margins.

Balance Sheet

- Following the June 2020 fund raising, the company is well capitalised to support its growth initiatives.

1 : adjusted EBITDA excludes the P&L impact in relation to employee loan impairment/reversal of impairment, and Share Based Payments expense.
2 : Relates to payments due for the acquisition of DynamicOdds and Global Betting Services.

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WHERE TO NOW

FY2021

U.S. EXPANSION

- The U.S. Racing industry generates more than AU$3bn in annualised revenues from $16bn in turnover.[1]
- The Company sees racing as a key component of the U.S Sports betting market and believes operators will need a racing solution to fit alongside its sports offerings.
- Monmouth Park and NJTHA have applied to regulatory authorities within New Jersey to allow them to conduct Fixed Odds betting on horse racing in the same manner as parimutuel (Tote) betting.
- BetMakers, as announced to the market, has signed an exclusive 10 year deal to manage Fixed Odds betting on horse racing in New Jersey on behalf of Monmouth Park and NJTHA, subject to obtaining regulatory approval.
- Other tracks, horsemen groups, and regulatory bodies within other states of the U.S. are working on strategies to implement Fixed Odds betting on horse racing which is an exciting prospect for the Company.

[1] : www.jockeyclub.com

SCALING UP FOR GROWTH

- The company has seen a significant uplift in enquiries for its products and services.
- Importantly our proprietary Managed Trading Services solution has been keenly sought after both domestically in Australia and into the U.S. as a stand alone product.
- To meet these needs, the Company has begun scaling up its staff across the group domestically and internationally, with a particular focus on bolstering the U.S. team.
- 2nd half of FY2020 has seen an almost 50% increase in headcount and we will continue to recruit quality staff across the group.
- Our U.S. expansion will see a number of key hires in FY2021 ensuring that BetMakers capitalise on the unique deals it has already announced and continue delivering new opportunities in this market.

STRATEGIC OPPORTUNITIES

- BetMakers is in the process of building a global racing data and technology business.
- With its successful Capital Raise in FY2020, and strong balance sheet, the Company is now well positioned to look for opportunities within global wagering markets, in particular horse racing.
- The Company is currently looking at a number of strategic opportunities that complement its existing offering, both domestically and in the U.S. market.

CAPITAL STRUCTURE

BetMakers Technology Group

Capital Structure	
ASX Code	BET
Shares on Issue	569,539,998
Share Price (25 August 2020)	$0.455
Market Capitalisation	$259.14 Million
Options on Issue	60,203,404
Performance Rights on Issue (1)	4

[1]: Performance rights were issued to Waterhouse VC. See ASX announcement 27th May 2020.

Tekkorp Holdings LLC is the largest shareholder with 20.18% of the ordinary shares on issue.
KMP hold ~2% of the ordinary shares and ~60% of the options on issue.

Based on data generated by the share registry as at 29 July 2020.

DISCLAIMER

This shareholder update is dated 26 August 2020. The material contained in this document is a presentation of general information about the activities of BetMakers Technology Group Limited (the “Company” or “BET”) as at the date of this update.

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