BETMAKERS TECHNOLOGY GROUP LTD
ACN: 164 521 395
Phone: 1300 208 849
Fax: (02) 8330 6357
22 Lambton Road
Broadmeadow
NSW 2292

25 January 2022

Q2 FY22 Quarterly Activities Report for the period ending 31 December 2021

BETMAKERS REPORTS SURGE IN QUARTERLY CASH RECEIPTS TO $24.6MIL

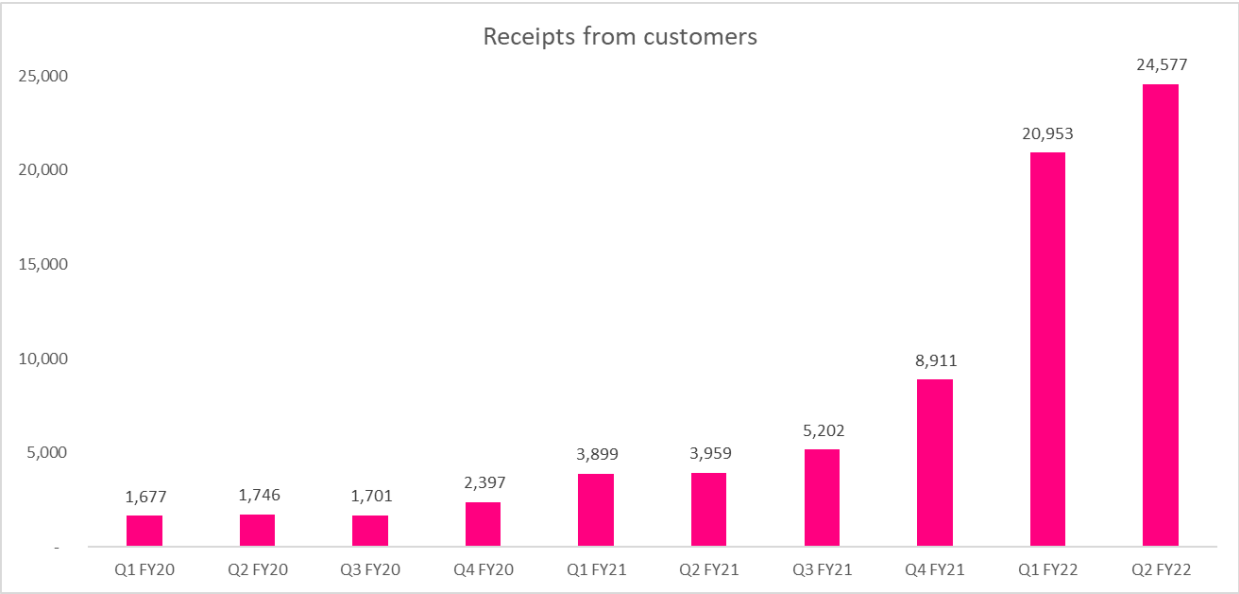
Quarterly highlights

- **$24.6mil in cash receipts in Q2 FY22 is +17% versus Q1 FY22 and +521% versus Q2 FY21**
- **$2.8mil positive Operational Cash Flow for the Quarter**
- **Signed binding HoA to be tote and racing services provider for Caesars Retail Sportsbooks in Nevada, including Las Vegas**
- **Closing cash balance of $110.9mil**

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 Q2 FY22, the quarter ending 31 December 2021.

The $24.6mil in reported cash receipts from customers in Q2 FY22 was the Company's best result to date and was driven by continued strong revenues across the Group and improved recoverability of accounts receivable. It represented a 17% increase on the $21.0mil reported in the prior quarter and a 521% increase compared with Q2 FY21.

A summary of the Company's historic quarterly performance is tabled below:



BetMakers CEO, Todd Buckingham, commented:

> "The Company has seen strong growth in its core business divisions, including in its Global Betting Services segment, through the Australian Platforms and Managed Trading Services operations."
>
> "We launched two additional clients to our Platforms during the quarter, bringing the total to 10, and can report that these wagering operator clients are now collectively generating in excess of $1.2 billion in turnover per annum (annualised H1 FY22 turnover) on BetMakers' platforms. We expect this growth to continue during the remainder of FY22 as the Company delivers on its contracted customer pipeline with further brands expected to launch this upcoming quarter."

The Company continued to advance its US strategy during the quarter, with further investment in product and people ahead of the upcoming launch of Fixed Odds betting on horse racing in New Jersey.

As noted in the Q1 FY2022 Quarterly Activities Report, a Bill to "authorise fixed odds wagering on horse races through fixed odds wagering system" was signed by the Governor of New Jersey to become law. As announced by the Company on 4 November 2021, the regulatory framework was released for Fixed Odds betting to commence on horse racing in New Jersey. In addition to the progress being made for fixed odds betting, the Company also sees growth opportunities in the existing tote markets. To support the Company's US strategy, $3.3mil was invested during the quarter on on-track and in-venue hardware to enrich the US racing experience (Q1 hardware investment of $6.5mil, therefore $9.8mil investment YTD).

The Company's 31 December 2021 balance sheet position remains strong with $110.9mil of cash and no debt.

BetMakers CEO, Todd Buckingham continued:

> "The Company's performance in the quarter is a very pleasing result, with the continued growth reflecting the strong foundations established by the business. We believe BetMakers now has a proven and comprehensive world-class offering of wagering technology and services and that the Company is perfectly positioned to further capitalise on the opportunities that are presenting themselves globally."
>
> "While Australia and the US are key pillars of our immediate growth strategies, we are now seeing more jurisdictions 'opening up' which we believe will allow us to continue to deliver strong growth results."
>
> "I am pleased with the integration of our acquired global assets and the synergies are now being realised across the Group. Last month I had the opportunity to visit the US for the first time since the rebrand of our Global Tote businesses, including US tote and digital assets, and the trip left me reassured that the Company's plans in the US are on track and the strategy is the right one."
>
> "The Company is excited by the enormous opportunity that exists across US horse racing (both for tote and fixed odds). We believe we are well positioned with our suite of

software and hardware solutions to capitalise on several opportunities, and we have the personnel and balance sheet to execute."

Q2 FY22 HIGHLIGHTS INCLUDE:

Signed binding Heads of Agreement to be the tote and racing services provider for Caesars Retail Sportsbooks in Nevada including Las Vegas

BetMakers announced to the market on 23 December 2021 that it had signed a binding Heads of Agreement to become the exclusive provider of Pari-mutuel racing services for Caesers Entertainment Inc's brick-and-mortar retail sportsbook locations in Nevada (including its properties in Las Vegas). Caesars Entertainment is the largest casino-entertainment company in the United States and one of the world's most diversified casino-entertainment providers.

BetMakers CEO, Todd Buckingham said:

> "Caesars is the biggest casino group in the US, so we are delighted to be working with them and, in particular, in the core market of Las Vegas. We strongly believe that racing as a betting product in the U.S. will be a popular part of the total wagering offering, and Caesars is a great brand to be working with to extend this vision."

Two platform clients launched and a further six platform clients contracted

BetMakers continues to see an opportunity for smaller and mid-tier bookmakers to enter the Australian online wagering space. During the quarter BetMakers launched an additional 2 platform clients into the market, bringing the total platform customer base to 10. Additionally, the Company has executed a further six platform deals which it expects to be in the market during the first half of CY22.

BetMakers CEO, Todd Buckingham, said:

> "The Australian wagering sector remains an attractive growth market for BetMakers as we leverage our proprietary software solutions to support the wagering industry. We envisage this growth continuing as we continue to expand our product offering, and new entrants approach the market."

Other highlights

Other notable highlights for the quarter include:

- Mediality appointed BetMakers (via the Global Racing Network) as its exclusive distributor of Australian racing data to territories outside of Australia for an initial term of 3 years;
- Racing and Wagering Western Australia (RWWA) signed a long-term deal to use BetMakers' fixed odds pricing services as well as racing data, form and content;
- Loteria Electronica Internacional Domincana, S.A. ("Leidsa") renewed a 3-year deal with Global Tote for the provision of lottery software systems;
- Veikkaus (Finland) appoint Global Tote as its tote technology provider; and
- the first showcasing of the new Bet Line terminals in Tuscon, Arizona, at the Global Symposium on Racing.

The Company paid Directors $179,000 for services during Q2 FY22. This included payment to the Chief Executive Officer for employment services as CEO.

The Appendix 4C for the quarter ending 31 December 2021 is attached to this announcement.

All financial figures stated in this announcement are in AUD and presented on an unaudited.

For further information please contact

Charly Duffy	Jane Morgan
Company Secretary companysecretary@thebetmakers.com	Investor and Media Relations investors@thebetmakers.com
+ 61 (0) 409 083 780	+ 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 by 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	**Quarter ended ("current quarter")**
21 164 521 395	31 December 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	24,577	45,530
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(6,390)	(12,481)
	(c) advertising and marketing	(113)	(312)
	(d) leased assets	(461)	(826)
	(e) staff costs	(12,240)	(22,985)
	(f) administration and corporate costs	(3,201)	(7,516)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(89)	(78)
1.7	Government grants and tax incentives	895	895
1.8	Other (provide details if material)	(210)	(953)
1.9	**Net cash from / (used in) operating activities**	**2,768**	**1,274**

1.8 Relates to funds paid in relation to regulatory licenses, and isolated advisor fees that are not expected to be ongoing in nature.

1.7 Relates to US government funds received under the COVID-19 relief package

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(1,028)	(6,235)
	(c) property, plant and equipment	(3,749)	(10,338)
	(d) investments	-	-
	(e) intellectual property	-	-
	(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)	(3,885)	(3,089)
2.6	**Net cash from / (used in) investing activities**	**(8,662)**	**(19,662)**

2.1 (b) Predominantly relates to funds paid to Sportech PLC in relation to the acquisition of the digital and tote assets (customary balance sheet and working capital settlements). There are no further payments required.

2.1 (c) $3.3m Relates to funds paid in relation to the development and construction of the new Bet Line betting terminals and other on-track and in-venue hardware (for initial use in the US).

2.5 Represents the quarterly movement in restricted cash held by US operations on behalf of customers. The restricted cash balance is subject to variance as funds are collected and distributed to customers and BetMakers US as fees. The restricted cash balance at 31 December 2021 was $3.7m.

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	8,161	8,737

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(273)
3.10	**Net cash from / (used in) financing activities**	**8,161**	**8,464**

3.3 Relates to funds received from Waterhouse VC in relation to exercising its Performance Rights for the 6 month period to 31 December 2021 (under the Waterhouse managed trading services agreement). The Performance Rights have not been exercised, and shares have not yet been issued in relation to the funds received.

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	108,786	120,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,768	1,274
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,662)	(19,662)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,161	8,464
4.5	Effect of movement in exchange rates on cash held	(175)	191
4.6	**Cash and cash equivalents at end of period**	**110,878**	**110,878**

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	110,878	108,786
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)**	**110,878**	**108,786**

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	179
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** *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.*	**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**	-

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)	2,768
8.2	Cash and cash equivalents at quarter end (Item 4.6)	110,878
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	110,878
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:

1. 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

2. 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: 25 January 2022.....

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.