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BetMakers 1H FY25 Interim Results

GROWTH PIPELINE ACCELERATING; SPORTRADAR PARTNERSHIP; DELIVERING ON OPERATIONAL GOALS

BetMakers Technology Group Ltd (**ASX:BET**) ("**BetMakers**" or the "**Company**") today announced its financial results for the six months ended 31 December 2024 (**1H FY25**).

Key highlights:

- **Delivered operational goals including technology upgrades, new platform launches and reduced operating costs**
- **Growth opportunities accelerating, continued focus on international markets and high margin scalable products**
- **Executed agreement with leading global player Sportradar to form strategic partnership, expanding international partnership channel**
- **Adjusted EBITDA loss reduced to $1.3 million for 1H FY25**
- **EBITDA and operating cash-flow trajectory expected to continue to improve in 2H FY25**
- **Improved growth outlook, revenue growth expected in FY26**

Commenting on the 1H FY25 results, Executive Chair Matt Davey, said,

"The first half of FY25 has seen BetMakers make strong progress in executing our strategic objectives, delivering substantial operational enhancements that better position us for long-term, sustainable growth. Our recent technology upgrades have contributed to the significant improvements in operational efficiencies, with the roll-out of Apollo serving as a key catalyst.

"Our new and upgraded technology suite is having a dual effect: it positions BetMakers at the forefront of global wagering, while delivering further efficiency gains, a combination that we expect to drive further improvements in the second half of FY25.

"With a robust business pipeline, a growing customer base, and cutting-edge technology, BetMakers is well placed to capitalise on its role as a leading gateway to the global racing ecosystem, driving revenue growth in the periods ahead."

Key Metrics - 1H FY25

Revenue	***$41.4 million***
Gross Margin	***60%***
Cash Operating Expenses	***$29.8[1] million***
Adjusted EBITDA	***-$1.3 million***
% Revenue from customers with contracts at the beginning of the period	***98%***
% of Revenue from customers outside Australia	***73%***

Growth outlook is improving as a result of the increasing reach of the BetMakers network and the upgraded product suite

BetMakers is seeing an increasing number of potential growth opportunities and a growing pipeline. The acceleration in growth opportunities is being driven by the upgraded technology suite, the network effects of our global reach, and a streamlined approach to our growth strategy.

As a result of recent contract wins, BetMakers' international distribution network for GBS now extends to North America, Africa, Europe and Asia, and complements the broad reach of the established Global Tote network.

Revenue was softer in 1H FY25 ($41.4 million) compared to 2H FY24 ($43.8 million). However, after excluding the revenue impact from a legacy customer (2H FY24 revenue is reduced $4.1 million and 1H FY25 revenue is reduced by $0.8 million), the business grew revenue modestly half on half (up by 2.0% from $39.7 million to $40.5 million).

Based on current market trends and internal projections, BetMakers expects to see the impact of its improved growth outlook in late H2 FY25, with further improvements in revenue growth anticipated into FY26.

BetMakers key growth initiatives are designed to expand the reach of our network, increase the turnover generated by our products and improve BetMakers' margin.

Sportradar agreement validates our market leading technology and adds to our partnership growth funnel

As announced on 20 February 2025, BetMakers entered into a distribution agreement with Sportradar AG (**Sportradar**), a leading global sports technology company. Sportradar will be among the first to integrate the AdVantage Platform, BetMakers' cutting-edge racing wagering solution, into its multi-award-winning ORAKO platform. This collaboration will provide ORAKO customers access to a full

[1] Cash operating expenses of $29.8m is comprised of $26.0m operating expenses recognised on income statement plus $3.8m of capitalised staff costs.

suite of horse and greyhound racing events from around the world. The first ORAKO customers are expected to go live with the solution in Q2 CY25.

The AdVantage Platform solution offers a full-service racebook, including managed risk, fixed odds and derivatives, comprehensive tote pool access, form, branded insights, tips, streaming, and granular reporting. It can be embedded into any existing ORAKO platform and features an array of bet types.

BetMakers' Managed Trading Services, advanced trading models, and Apollo™ technology underpin the solution.

Technology roadmap is delivering efficiencies; upgraded product suite is supporting future growth initiatives

During the half, BetMakers upgraded the GBS technology stack and delivered the new Apollo product suite.

BetMakers expects cloud and infrastructure savings on a per-platform basis as well as stronger incremental gross margin from new customers, with benefits expected to be realised throughout H2 FY25. Accordingly, gross margin for GBS is expected to improve during H2 FY25.

The upgraded Apollo technology, and in particular the turnkey and API products, are expected to contribute to BetMakers long term goals and support key growth initiatives, including the expansion of BetMakers' international partnership channel.

BetMakers is now focused on the upgrade of Global Tote's digital tote wagering platform and infrastructure which is expected to go live in FY25. GTX, the upgraded platform, will provide BetMakers' international customers with a new tote wagering platform that is expected to deliver enhanced performance and a better user experience. GTX is expected to lower BetMakers' cloud and infrastructure costs relating to its ADW platforms in the US and other jurisdictions of which there are currently 20+ customers.

Importantly, GTX's modern architecture and module based application will allow for the deployment of sports betting, daily fantasy and iGaming products for customers looking to upgrade their existing racing tote only offerings. GTX will also be integrated with BetMakers fixed odds managed trading service as well as the Racelab ProFORM betting prompts.

BetMakers delivered increased operating leverage from its transformation initiatives

BetMakers executed further restructuring of its staff cost base in 1H FY25 in line with its strategy to streamline operations, further optimising its resources to support the upgraded product and technology offerings. The cash operating costs for the business were reduced from an annualised $75.6 million in 1H FY24 to $59.6 million in 1H FY25 (a decrease of 21%). This was driven by further reductions in both staff costs and overheads.

The Company continues to implement initiatives to reduce operating costs and optimise the cost base to support growth initiatives. As a result, BetMakers is now targeting a run-rate of cash operating expenses of $55 million before the end of this financial year.

Cost reductions and anticipated gross margin improvements from the Apollo migration are expected to result in increased operating leverage in FY25 and beyond.

Outlook: Focus is on delivering growth and continuing to maintain operational discipline and efficiency

BetMakers remains focused on delivering its long-term goal[2] of being a Rule of 40[3] Company. The improvements in profitability and progress on the technology roadmap are important steps forward in terms of delivering this goal.

The Company expects its EBITDA and operating cash-flow trajectory to improve throughout 2H FY25 as the impacts of the restructuring and the Apollo migration take full effect.

The Company's pipeline is continuing to expand, with an increase in potential growth opportunities. Revenue growth is expected in FY26 with early financial impact of the growth initiatives expected in 4Q FY25.

The Company's technology roadmap is continuing to deliver efficiency gains with gross margin improvements expected in GBS for 2H FY25.

BetMakers remains focused on continuing to deliver on its operational goals in 2H FY25 including activation of its international partnership channel as well as delivery of the new GTX platform.

Commenting on the outlook, Chief Executive Officer Jake Henson said, *"Our focus during 1H FY25 was to deliver on our operational goals. We have made further progress on our transformation strategy by optimising our cost base, delivering upgraded technical solutions and streamlining our growth strategy.*

"We are also pleased with the progress we are making on our growth initiatives. Our upgraded product suite is starting to deliver a new set of opportunities for us and we expect this to result in growth leading into FY26. The recent milestone agreement with Sportradar demonstrates further proof of the quality technical solutions we have built.

"Our technology roadmap is strong and we are excited about the future for both GBS and Global Tote as our Apollo Platform and Global Tote's upcoming GTX platform continue to improve our product and enhance our operational efficiency."

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[2] Long term goal refers to a three to five year period. The Company first announced this goal in August 2024 with the release of the FY24 financial results.

[3] The Rule of 40 is a principle that states that a technology company's combined growth rate and EBITDA margins should exceed 40%.

INVESTOR WEBINAR DETAILS

BetMakers Executive Chair, Matt Davey, CEO Jake Henson, and CFO Carl Henschke, will deliver a presentation to investors today at **10.30am (AEDT)** (Thursday, 27th of February 2025) via a live webinar, followed by Q&A.

To pre-register for this webinar, please use the following link:

https://us02web.zoom.us/webinar/register/WN_rEIX2EEMTmCmmiyA2xgvpQ

The Board of BetMakers has authorised the release of this announcement to ASX.

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The following is a summary of BetMakers' 1HFY25 profit and loss statement.

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 ($M)	1H FY25	1H FY24	$/%
Revenue	41.4	51.4	-10.0
COGS	-16.7	-18.3	1.6
GROSS PROFIT	**24.7**	**33.1**	**-8.4**
GROSS MARGIN %	**59.6%**	**64.4%**	**-4.7%**
Operating expenses	-26.0	-34.5	8.5
Adjusted EBITDA	**-1.3**	**-1.4**	**0.1**
Adjusted EBITDA Margin %	**-3.1%**	**-2.8%**	**-0.3%**
Net foreign exchange gain	-0.4	0.5	-0.9
(Impairment) / recovery of receivables	-0.2	-5.1	4.9
Share-based payments expense	-0.2	-1.4	1.2
EBITDA	**-2.1**	**-7.4**	**5.3**
Depreciation and amortisation expense	-6.1	-5.3	-0.8
Finance costs	-0.3	0.5	-0.8
Income tax expense/(benefit)	-10.6	-0.6	-10.0

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.

This announcement contains "forward-looking statements." These can often be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". However any 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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