

The BetMakers Holdings LTD

ASX - TBH
MAY 2019



DISCLAIMER

This shareholder update is dated 9 May 2019. The material contained in this document is a presentation of general information about the activities of The BetMakers Holdings Limited (the “Company” or “TBH”) as at the date of this update.

This document is not a prospectus, product disclosure statement or other offer document under Australian law or under any other law. The information is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs and does not include all information which an investor may require to assess the performance, risks, prospects or financial position of the Company. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the Company, including any of its related bodies corporate. 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 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; 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 the information in this update, including any forward-looking statement. The Company disclaims any responsibility to update or revise any information in this update, including 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 data 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.

CORPORATE SNAPSHOT

Shareholder Breakdown

Top 20

172,081,948 shares (61.44%)

Directors, employees and related parties

14,548,935* (5.2%)

Capital Structure

ASX Code	TBH
Shares on Issue	280,096,725
Share Price (9 May 2019)	\$0.042
Market Capitalisation	\$11.76million

THE BETMAKERS AT A GLANCE

The BetMakers is a leading supplier of data and analytical tools to wagering operators and racing authorities globally.

What we do for wagering operators

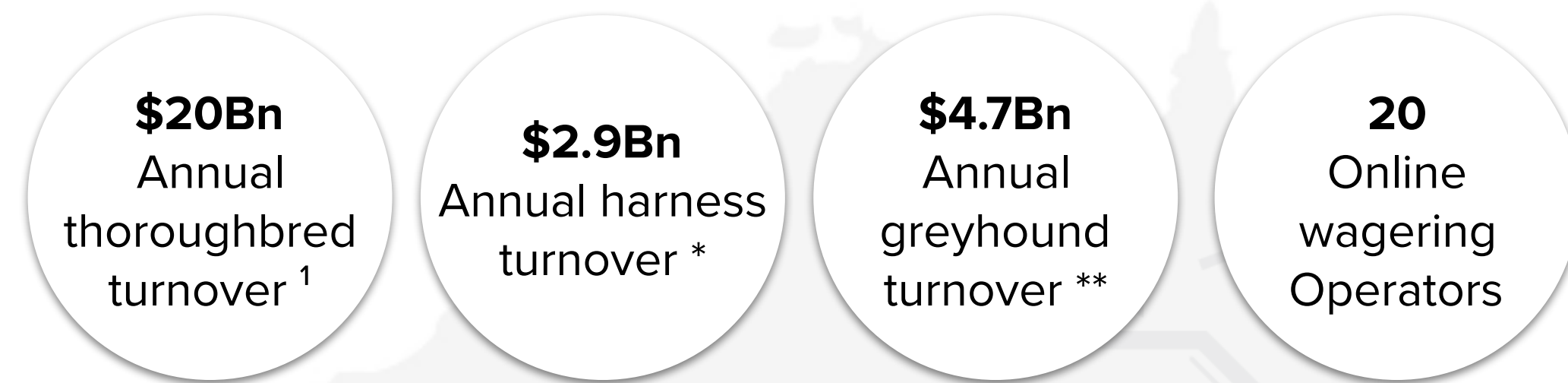
- The BetMakers' Data & Controls solution compiles data feeds from racing jurisdictions globally and supplies wagering operators with its comprehensive racing solution available via a single integration. The BetMakers cover the full life-cycle of more than 200,000 races per annum, and is used by some of the world's largest wagering operators.
- The BetMakers solution is utilised by every major Australian wagering operator to manage their racing book. Its 'Price Manager' product (proprietary to The BetMakers) allows wagering operators to manage the odds and risk across thousands of markets simultaneously, and its Trading Solution provides traders with a unique customisable platform.
- The BetMakers continues to improve and develop technology to support and enhance wagering operator's racing product. This will include automated pricing and trading solutions, as well as additional products such as 'Global Tote'.

What we do for Principal Racing Authorities (PRA's)

- The BetMakers' core partnership with Principal Racing Authorities (PRAs) is to provide Integrity, Official Pricing, and Distribution services.
- The Company produces and/or distributes the 'Official Price' and race data for all major Australian racing bodies.
- The BetMakers distributes on behalf of US Greyhound, US Racing and US Harness its betting and vision rights which covers more than 50,000 races annually.
- The BetMakers has developed on behalf of Racing Victoria a proprietary and comprehensive Integrity Platform which monitors race performance and betting irregularities, both pre-race and post-race, using analysis of hundreds of factors including historical runner data, track information, betting fluctuations, and other irregularities.

THE BETMAKERS & THE MARKET

Domestic Market



The Australian racing market is one of the most developed markets in the world leading the way through regulation, innovation, and integrity.

The BetMakers works with all the leading Australian wagering operators as a core contributor to the operation and management of their racing books.

In addition, the BetMakers is a key partner with all the major Australian racing bodies; providing Integrity and Distribution services.

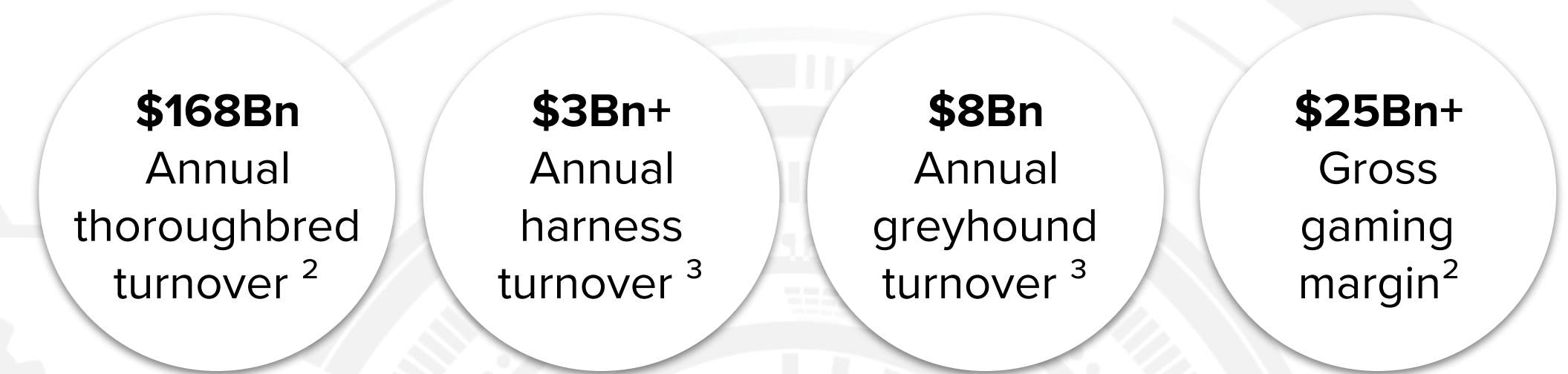
¹ : RISA publications – Racing Australia Fact Book 2017/18

• : Harness Racing Australia, Annual Report 2018

** : Based on state greyhound bodies, 2017/18 Annual reports



Global Market



The Australian racing market makes up approximately 15% of the global market.

The strength and competitiveness of the Australian racing industry, and The BetMakers position within it, places The BetMakers in a strong position to export its industry leading products to the global racing market.

The BetMakers has started to expand its products and services globally and has recently signed some of the world's largest bookmakers including Bet365, William Hill Group and Unibet.

² : International Federation of Horseracing Authorities, 2017 Annual Report

³ : The BetMakers estimate based on various sources for racing in Australia, US, UK, and other commercial racing countries

OPERATIONAL ACHIEVEMENTS

During the past 12 months The BetMakers has laid the foundation for the next stage of growth. Key achievements during this time are:

Financial

- B2B revenue growing by more than 50% annually
- Significant cost reduction achieved through cost rationalisation and extraction of group synergies
- Achieved profitability in March quarter, Underpinned by recurring revenues and a reduced cost base

Operations

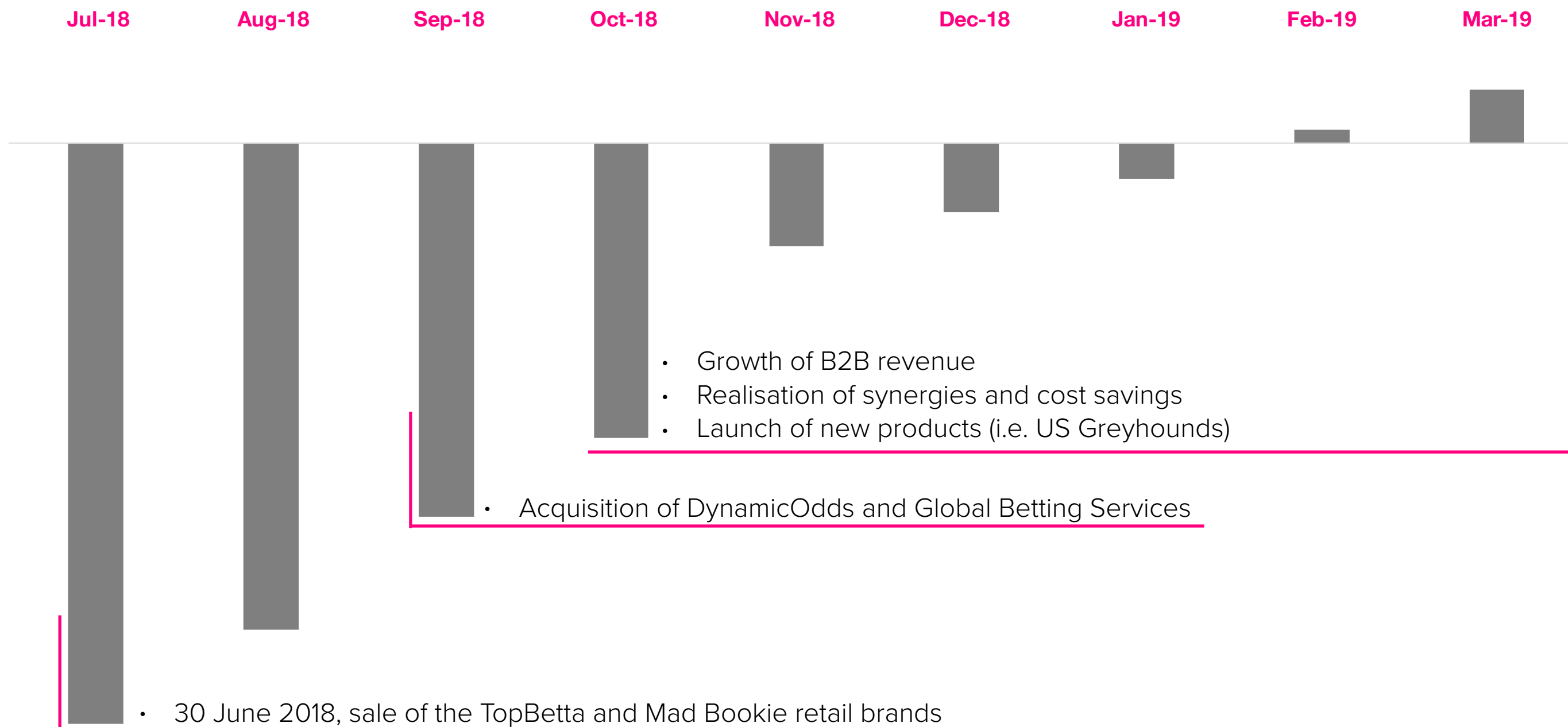
- Acquired and integrated DynamicOdds & Global Betting Services
- Signed or extended agreements with the Australian retail operators, comprised of almost all major domestic wagering operators. These include Bet Easy, Ladbrokes, Neds, Sportsbet, Bet365, and Unibet
- Signed major global wagering operators Bet365, Unibet, and William Hill Group

Product and services

- Secured the distribution rights to US greyhounds and US racing – delivering bookmakers odds, enhanced data, and vision.
- Launch of Global Racing Distribution across multiple bookmakers. Commenced delivery in March 2019
- Extended racing bodies products to include Integrity Platform solutions
- Launched bookmaker ‘customised’ racing TV to enable live racing vision on operators platforms

TOWARD PROFITABILITY

TBH Normalised EBIT ¹



- Recurring revenues are expected to underpin sustainable profitability.
- Strong sales pipeline of products and customers expected to deliver continued revenue growth.
- Scalable business model from a reduced costs base is expected to deliver high profit margins.

¹ : Normalisation adjustments include exclusion of payments related to employment termination and abnormal leave items, exclusion of expense items relating to prior financial years, adjusted revenue & expense items for timing purposes, and exclusion of impairment charges.

CAPITAL RAISING OVERVIEW

The BetMakers has outstanding payments of \$8.4million due in relation to the acquisitions of Global Betting Services Pty Ltd, and DynamicOdds Pty Ltd / C.D.K Software Limited. The BetMakers has restructured these payments as follows:

- \$4million of the outstanding payment has been restructured as debt and deferred until 30 June 2024;
- The Company will pay interest on each of the amounts at a rate of 10% per annum on any outstanding amount;
- The Company can elect to pay down any or all of its outstanding debt at anytime over the 5 year period without penalty;
- Subject to the Company obtaining shareholder approval, \$1million of the outstanding payment due to the vendor of C.D.K. Software Limited will be met via the issue of fully paid ordinary shares in the Company; and
- \$3.4million payable by 30 June 2019 (will be paid from funds received in the Rights Issue and placement)

As per the Company's announcements on 30 April 2019 and the date of this Presentation, The BetMakers completed a strategic investment by Las Vegas-based international wagering and gaming industry investment firm, Tekkorp Holdings LLC ("Tekkorp"). Tekkorp have taken a 19.99% stake in The BetMakers under a placement of 55,991,335 fully paid ordinary shares in the Company at a price per share of \$0.03 to raise approximately \$1.68million.

As announced on 7 May 2019, The BetMakers is conducting a non-renounceable pro-rata entitlement offer of one new fully paid ordinary share for every 2.8 existing shares held in the Company at the offer price of \$0.03 per new share to raise approximately \$3million ("Entitlement Offer").

CAPITAL RAISING

SHARE IMPACT

			# of ordinary shares	
Number of ordinary shares on issue pre Tekkorp investment and capital raising			224,105,390	
Tekkorp Share Placement	\$ 1,679,740.05	@ \$0.030	55,991,335	
Number of ordinary shares on issue pre capital raising			280,096,725	(a)
Capital Raise				
- Rights Issue ¹	\$ 3,001,036.32	@ \$0.030	100,034,544	
- Share Placement (CDK Software)	\$ 1,000,000.00	@ \$0.030	33,333,333	
Total	\$ 4,001,036.32		133,367,877	(b)
Number of ordinary shares post capital raise			413,464,602	(a) + (b)
Implied market cap @ \$0.030 p/share			\$ 12,403,938	
Outstanding Debt		\$	4,000,000	
Approximate Cash Balance		\$	1,000,000	
Implied Enterprise Value ("EV")		\$	15,403,938	

Note: Share placement to CDK Software (33,333,333 shares) is subject to shareholder approval.

¹ : Rights Issue value pre-associated costs (estimated at \$70k)

CAPITAL RAISING

USES & BALANCE SHEET

\$'000	Unaudited sh/h equity at 31 March	Tekcorp Placement	Rights Issue	Secondary Placement ¹	Payment & Restructure of Acquisition Payments	Pro-forma position
Cash and cash equivalents	339	1,680	3,001		(3,900)	1,120
Current assets	2,106					2,106
Other assets	27,696					27,696
Current liabilities	(2,100)				500	(1,600)
Deferred acquisition payments ²	(12,900)			1,000	7,400	(4,500)
Non-current borrowings	-				(4,000)	(4,000)
Other non-current liabilities	(98)					(98)
Net assets	15,043	1,680	3,001	1,000	-	20,724
Issued capital	36,828	1,680	3,001	1,000		42,509
Reserves	656					656
Acc. Losses	(22,440)					(22,440)
Total Equity	15,043	1,680	3,001	1,000	-	20,724

	\$'000
Funds raised	4,681
Use of funds	
- GBS Outstanding Payment	1,900
- CDK / DO Outstanding Payment	1,500
- Repayment of short term borrowings	500
- Cost of fund raise	70
- Working capital	711
	4,681

¹ : Subject to shareholder approval

² : Pro-forma balance of \$4.5m relates to Performance Payment accruals booked at 31 December 2018

THE NEXT 12 MONTHS

Building upon our platform, the Company's focus for the next 12 months is:

- On board more wagering operators globally, in particular, expanding into the UK and US markets
- Continue the expansion of product and service offering to our existing customer base
- Expand racing distribution content (domestic and global) from its existing 50,000 races annually, and enhance the data and product offering for the rights holders
- Roll out the racing integrity system to domestic and global racing/sporting bodies
- Continue development and expansion of the Global Tote

The BetMakers will continue to work towards its goal to be the leading B2B provider of racing products and services to the global wagering market.

THE BETMAKERS

PRODUCT OVERVIEW

Business Operations

We build enhanced Data & Pricing Solutions around official data, while improving trading scalability & margins.

We create Integrity Systems, & provide a distribution network for delivering racing content.

Customer Segments	Bookmakers & Wagering Operators	Racing Authorities & Rights Holders
-------------------	---------------------------------	-------------------------------------

Products & Services

 DATA DELIVERY

 RDC PLATFORM

PRICING  ENGINE

 RISK MANAGEMENT SOLUTIONS

 POOLED BETTING SOLUTIONS

 OFFICIAL PRICE SOLUTIONS

 INTEGRITY PLATFORMS

 RACE DAY MANAGEMENT

 DATA DISTRIBUTION

BOOKMAKERS & OPERATORS

betfair

POINTSBET SportChamps bet365

Customers



TopBetta Ladbroke's sportsbet neds BET EASY BlueBet MadBookie

2015 2016 2017 2018 2019

WAGERING
PLATFORMS

dynamic
odds
more than just odds...

Global Tote

Price Manager

AUTO Risk Manager

AUTO Pricing Solution

Tournaments

RDC PLATFORM

PRICING FE ENGINE

ODDS COMPARISON

Integrity System

RISK Management System

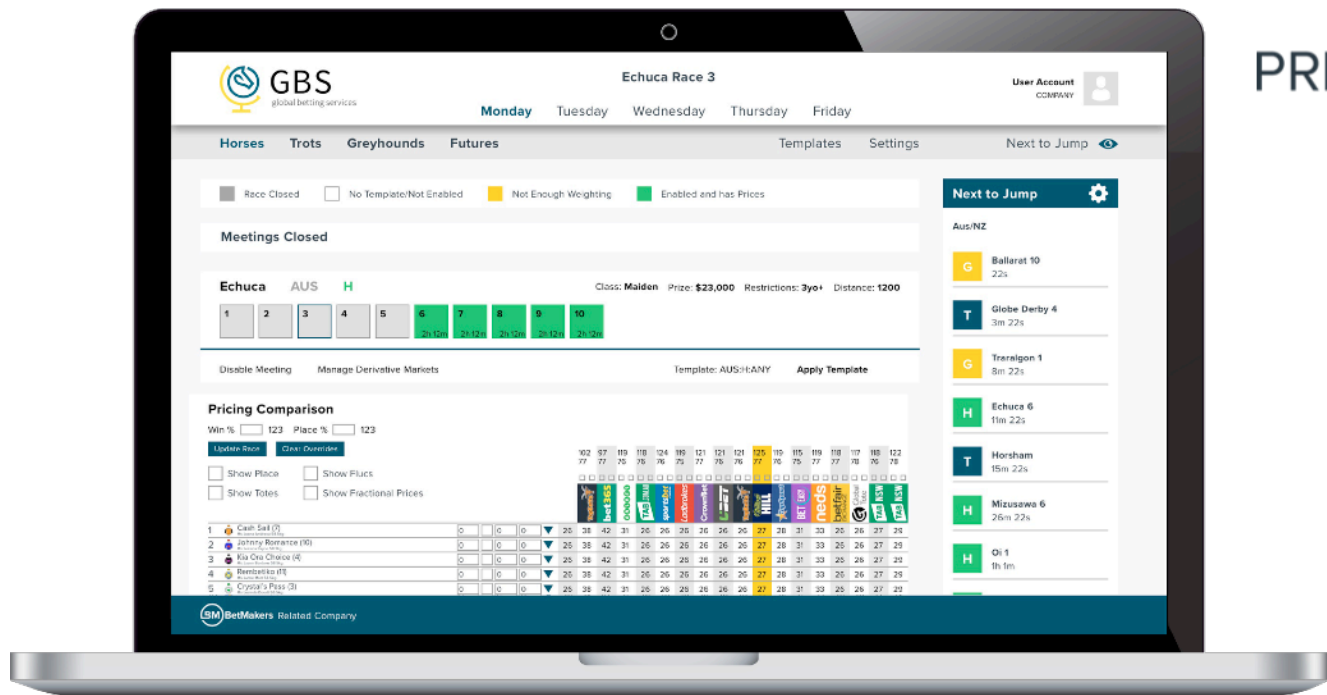
Predicted SP pricing

Products

Over the last 5 years The BetMakers and its companies have established themselves as a leading Racing Data Solutions company. The continued development of technology solutions within this space, will enable the company to reach its goal of being the leading B2B supplier in global wagering.

PRICING & TRADING

Product Highlight



PRICING  ENGINE

Our Fixed Odds pricing solution, Price Manager, allows operators to manage thousands of markets, and tens-of-thousands of prices simultaneously. It is the most sought after solution for wagering operators globally to manage their prices across all racing, greyhound and harness content. It allows wagering operators to scale content without the need to increase trading teams. This allows our customers to readily increase turnover and margins.



Our proprietary Odds Comparison site allows customisation for traders allowing them to personalise the platform to suit the requirements they need to manage their book in the most efficient manner.

Clients include...



DATA & CONTROLS

Product Highlight



Our Racing Data solution compiles hundred of data sources into a single integrated solution for operators.

With more than 4,000 races weekly, this equates to millions of data points each week that need to be delivered in real time.

Bookmakers, punters and Racing Bodies globally entrust The BetMakers to deliver this data, in what we believe is the most comprehensive and reliable racing solution available.

We also work with data and rights holders from all over the world, and help provide them access to the world's biggest wagering operators and punters.

Clients include...

TopBetta

Ladbrokes

UNIBET

neds

 **betgenius**

*William***HILL**

sportsbet

 **BetMakers**

BET 

bet365

GLOBAL TOTE

Product Highlight



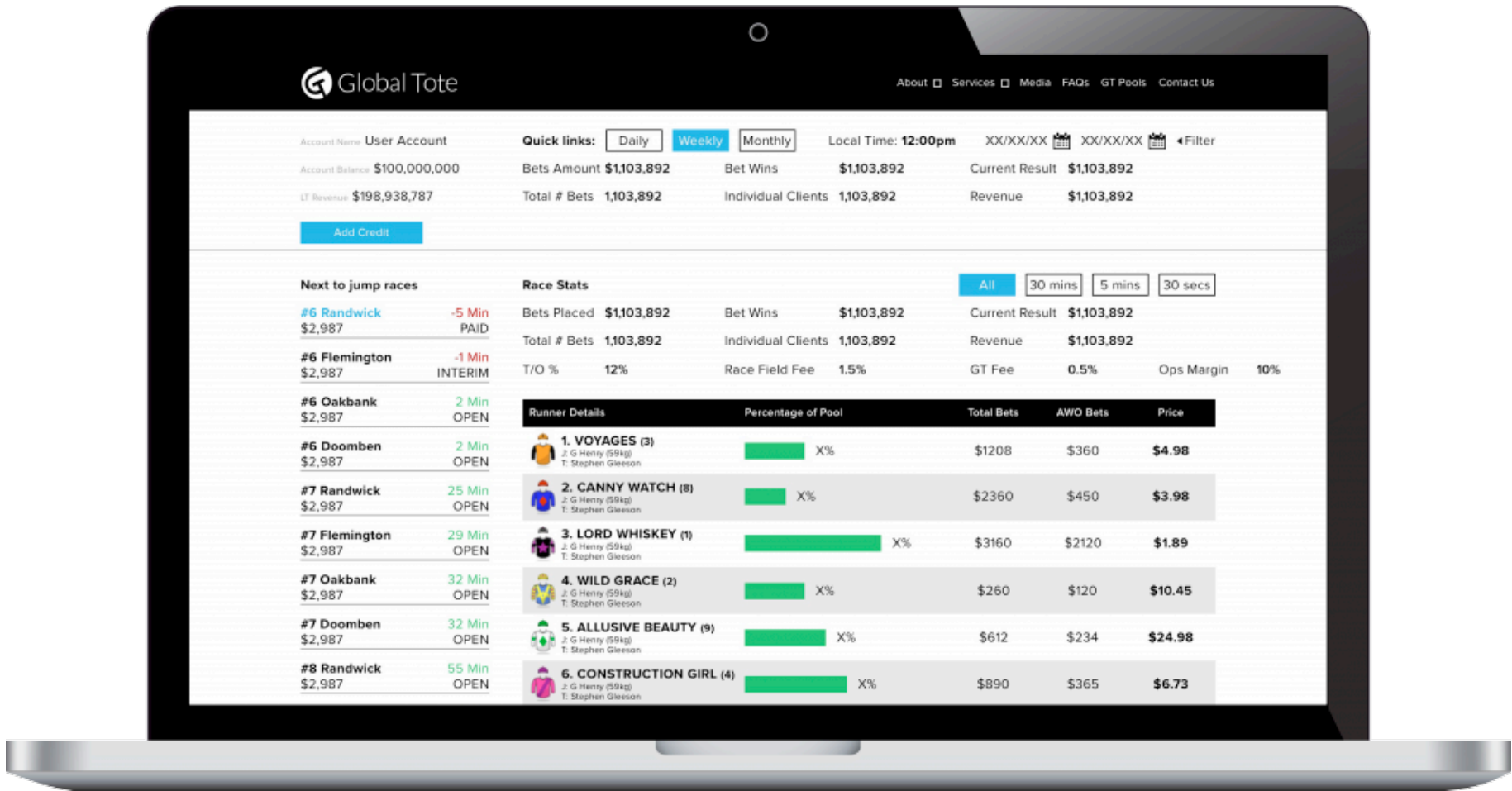
The Global Tote is a pooled betting solution for wagering operators to manage risk, create and deliver unique products, whilst achieving increased margins.

The Global Tote is licensed within the UK market, the US market and is also able to be utilised throughout the Australian market, directly to licensed wagering operators. It has been operating since 2017/18, having held in excess of \$100million worth of bets.

While the Global Tote was held up throughout 2018/19 due to the regulatory hurdles, these issues have now been resolved. The BetMakers plans to roll out the Global Tote on more events annually and in jurisdictions such as the US, UK and Australian markets throughout the back end of 2019 and accelerate in 2020.

Pooled racing products will be ever more important for operators as they receive set margins on these bet types and in most cases significantly higher then current fixed odds betting products.

The Global Tote has the rights to create pools on more than 100,000 races annually.



RACING BODIES

Official Price

The BetMakers partners with Australia's major Racing Bodies to calculate the 'Official Price' for Australian thoroughbred races.

Each Racing Body accepts and distributes the 'Official Price' to display across race meetings throughout Australia.

The BetMakers supply the racing displays for all tracks around Australia and have recently started developing automated race day control solutions, allowing race day information to be exported and delivered in real time, such as track upgrades, scratchings, deductions and more.

Clients



International Distribution

The BetMakers has more than 50,000 races that it distributes on behalf of racing authorities.

The BetMakers role is to enhance the data that is provided by the racing authorities and distribute this to wagering operators through the BetMakers distribution network. US Racing, US Harness and US Greyhounds are all now distributed by The BetMakers into the Australian market.

The newly developed TV Widget allows operators to have a fully branded TV channel that is injected into the operators website and allows more than 1,000 live racing events each week to be viewed by their customers.

The BetMakers TV has started to be rolled out in the Australian market.

Integrity Platform

The BetMakers has developed on behalf of Racing Victoria a proprietary and comprehensive Integrity Platform.

Racing Victoria has recently soft-launched the Racing Victoria Integrity Platform (RVIP).

The Integrity Platform monitors race performance and betting irregularities, both pre-race and post-race, using analysis of hundreds of factors including historical runner data, track information, betting fluctuations, and other irregularities.

FOR FURTHER QUERIES

Please contact:

Charly Duffy

Company Secretary

companysecretary@thebetmakers.com

+61 (0) 409 083 780

Jane Morgan

Investor & Media Relations

investors@thebetmakers.com

+61 (0) 405 555 618