

31 October 2018

**Quarterly Activities Report
for the period ending 30 September 2018**

Highlights

- **Acquisition of leading global wagering service provider, Global Betting Services Pty Ltd**
- **Acquisition of wagering data provider, DynamicOdds Pty Ltd**
- **Completion of capital raising through Entitlement Offer**
- **Company on track to move into profitability, expected in March 2019 quarter**

The Board of The BetMakers Holdings Limited (“BetMakers” or the “Company”) is pleased to provide the following overview on the quarterly activities for the period ending 30th September 2018.

The Company had an underlying EBIT loss of \$1.27M for operating activities during the September quarter.

While The Betmakers’ cash position was \$252k at the end of the reporting period, the Company notes that, in October, it received \$770k from R&D activities and an additional \$250k payment as part of the sale of TopBetta Pty Ltd and the associated retail brands to PlayUp Australia Pty Limited. Further payments of \$2.75m are due from Play Up in the December Quarter.

The Company would also like to advise that it is on track to achieve profitability, which is expected within the March 2019 quarter, with the agreements that have been secured and deals that have been announced to the market.

During the December quarter, the Company expects ‘outflows’ of \$3.3M, which includes a \$1.0M payment as part of the acquisition of the DynamicOdds business, to be offset by expected ‘inflows’ to amount to \$5.2M.

Completion of acquisitions

During the quarter, the Company completed the transactions to acquire leading wagering service providers, Global Betting Services Pty Ltd (“GBS”) and DynamicOdds Pty Ltd and C.D.K Software Limited (together “DynamicOdds”), both of which deliver data services to some of world’s most respected bookmakers.

The client base of GBS and DynamicOdds include numerous Australian and International operators, which are currently using a variety of products.

Capital raising

During the quarter, the Company successfully raised \$4.5 million through an accelerated non-renounceable 1 for 2 pro-rata entitlement offer, including a placement of the shortfall to sophisticated investors.

Further details on the quarterly capital raising activities can be viewed in the Company’s ASX announcements.

All figures shown in this Announcement are provided on an unaudited basis.



For further information on the Company, 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

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:

(a) 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

(b) 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 announcement 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; technology and infrastructure; conduct of contracted counterparties; 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 statement 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 announcement 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 report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

The BetMakers Holdings Limited

ABN

21 164 521 395

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	809	809
1.2 Payments for		
(a) research and development	(147)	(147)
(b) product manufacturing and operating costs	(1,368)	(1,368)
(c) advertising and marketing	(3)	(3)
(d) leased assets	(34)	(34)
(e) staff costs	(830)	(830)
(f) administration and corporate costs	(848)	(848)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2	2
1.8 Other (expenses for licences, other legal costs and Global Tote development)	(121)	(121)
1.9 Net cash from / (used in) operating activities	(2,535)	(2,535)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	(3,384)	(3,384)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	430	430
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
2.6	Net cash from / (used in) investing activities	(2,954)	(2,954)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	4,472	4,472
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(177)	(177)
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)	-	-
3.10	Net cash from / (used in) financing activities	4,295	4,295

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,447	1,447
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,535)	(2,535)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,954)	(2,954)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,295	4,295
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	252	252

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	152	152
5.2	Call deposits	100	100
5.3	Bank overdrafts	-	-
5.4	Other (Bank Guarantee for NT licence)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	252	252

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	34
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Excludes payment to CEO for employee services as CEO. CEO holds unpaid position as director.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(149)
9.2 Product manufacturing and operating costs	(780)
9.3 Advertising and marketing	-
9.4 Leased assets	(40)
9.5 Staff costs	(825)
9.6 Administration and corporate costs	(504)
9.7 DynamicOdds Instalment	(1,000)
9.8 Total estimated cash outflows	(3,298)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		TopBetta Pty Ltd
10.2	Place of incorporation or registration		NSW
10.3	Consideration for acquisition or disposal		\$6,000,000
10.4	Total net assets		\$1,189,138
10.5	Nature of business		Retail Bookmaker
10.6	Name of entity	DynamicOdds	
10.7	Place of incorporation or registration	Australia	
10.8	Consideration for acquisition or disposal	\$10,000,000 ¹	
10.9	Total net assets	\$105,123	
10.10	Nature of business	Provider of wagering data	
10.11	Name of entity	Global Betting Services	
10.12	Place of incorporation or registration	Australia	
10.13	Consideration for acquisition or disposal	\$10,000,000 ¹	
10.14	Total net assets	\$201,967	
10.15	Nature of business	Provider of wagering data	

¹ : Consideration amounts are subject to operational performance and contingent earn-out payments. Please refer to ASX announcement "Terms of GBS and DO Acquisition restructured in BetMakers favour" for further detail.

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.

Sign here:
(Director/Company secretary)

Date: 31 October 2018

Print name: Charly Duffy

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.