

Q1 FY21 Quarterly Activities Report For the period ending 30 September 2020

Quarterly highlights

- **Cash receipts up 63% on previous quarter (\$3.9 million versus \$2.4 million)**
- **~\$16 million Annualised Revenue Run Rate based on Q1 FY21 (Unaudited)**
- **Strong growth driven by Managed Trading Services and Global Racing Network**
- **BetMakers growing Australian revenues ahead of international expansion**
- **Closing cash balance of \$32.8 million**

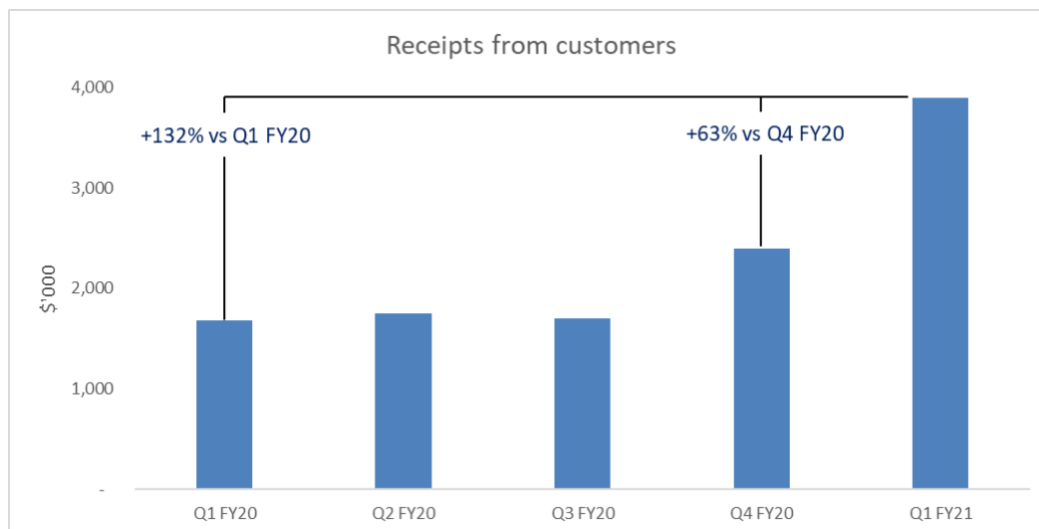
The Board of BetMakers Technology Group Ltd (ASX:BET) (“BetMakers” or the “Company”) is pleased to release its Quarterly Cash Flow Statement and Quarterly Activities Report for Q1 FY21, the quarter ending 30 September 2020.

The Company continued its growth throughout Q1 FY21 based on strong activity in the Australian market, with highlights including:

- Cash receipts from customers was \$3.9 million (up from \$2.4 million previous quarter)
- Revenues (unaudited) of \$3.9 million (up from \$2.7 million from previous quarter)
- Demand for Managed Trading Services, content distribution and acquisition tool products delivering Company domestic growth

The Company finished Q1 FY21 with more than \$32.8 million in cash with no debt and is exploring organic and inorganic growth opportunities in Australia and Internationally, including in the U.S. market.

The Company has seen significant growth in cash receipts from customers over the past two quarters, with the Q1 FY21 representing an increase of +63% on the previous quarter (Q4 FY20) and a year-on-year increase of 132% on Q1 FY20.





Management expects the continued strong growth in cash receipts and revenue to continue within the Australian domestic market and intends to leverage products and services into International markets in line with the Company's expansion plans.

Company CEO Todd Buckingham said: *"The business has now delivered two consecutive quarters of sustained growth, leveraged from its strong base of recurring revenues, and we believe we are in a strong position to continue to expand our products and services."*

"The impressive growth we are seeing over the past two quarters is a result of the successful development, launch and implementation of our products and services in the Australian market over the past few years."

"The Company has a strong technology and leadership team across the business and its innovative B2B wagering technology products have generated strong results since launching into the Australian market, which gives us great confidence for further roll outs both domestically and into new overseas markets."

"In particular, Our Managed Trading Services business has been a success, not only for BetMakers but also for our customers using the service."

During this period of growth the Company is continuing to invest in product development and its international expansion strategies. This is reflected in an increase in staff costs during Q1 FY21 as the Company hired key personnel across its product development and commercial teams to ensure its ability to meet increased customer demand domestically and overseas.

The growth in cash receipts recorded across the Managed Trading Services and content distribution products, such as the Global Racing Network, has also driven an increase in the product manufacturing and operating costs (variable costs correlated to revenue generation).

During Q1 FY21 the Company invested approximately \$0.3 million in the U.S. expansion opportunity. This included US\$0.06million insurance payment (reported in 1.2(c) of the Appendix 4C) to sponsor the "BetMakers Bonanza", where a US\$1 million amount would be paid to the connections of any horse that wins the TVG.Com Haskell Stakes, the Kentucky Derby and the Breeders' Cup Classic. To date, the racehorse Authentic has won both the TVG.Com Haskell Stakes and the Kentucky Derby, and is entered to race in the Breeders' Cup Classic on 7 November for its chance to win connections the US\$1 million bonus prize. The insurance payment made covers the full potential payment of US\$1 million.

The Company paid Directors \$243,000 for services during Q1 FY21. This included payment to the Chief Executive Officer for employment services as CEO.

The Appendix 4C for the quarter ending 30 June 2020 is attached to this announcement.

*Unless otherwise specified, all amounts are provided in AUD and on an unaudited basis.



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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 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.

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

21 164 521 395

Quarter ended ("current quarter")

30 September 2020

| 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 | 3,899 | 3,899 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (1,223) | (1,223) |
| (c) advertising and marketing | (106) | (106) |
| (d) leased assets | (59) | (59) |
| (e) staff costs | (1,365) | (1,365) |
| (f) administration and corporate costs | (1,014) | (1,014) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (17) | (17) |
| 1.6 Income taxes paid | (12) | (12) |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | (158) | (158) |
| 1.9 Net cash from / (used in) operating activities | (55) | (55) |

1.8 Other costs during the quarter of \$158k relate to annual licensing and regulatory fees, as well as US development project advisory costs.

| 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) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (46) | (46) |
| (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) | - | - |
| 2.6 Net cash from / (used in) investing activities | (46) | (46) |

| | | |
|---|--------------|--------------|
| 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 | 1,570 | 1,570 |
| 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) | (299) | (299) |
| 3.10 Net cash from / (used in) financing activities | 1,271 | 1,271 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 3.9 Other relates to payments made to establish a Managed Trading Services ("MTS") trading float. Any contributions made are repayable upon the termination of the MTS arrangement. | | |

| | | | |
|------------|--|---------------|---------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 31,625 | 31,625 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (55) | (55) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (46) | (46) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,271 | 1,271 |
| 4.5 | Effect of movement in exchange rates on cash held | 24 | 24 |
| 4.6 | Cash and cash equivalents at end of period | 32,819 | 32,819 |

| 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 | 32,819 | 32,819 |
| 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) | 32,819 | 32,819 |

6. Payments to related parties of the entity and their associates

| | | |
|-----|---|-----|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 243 |
| 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

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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) | (55) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 32,819 |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 32,819 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 597 |

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: 13 October 2020.....

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.