

30 April 2020

## Quarterly Activities Report For the period ending 31 March 2020

### Highlights

- **Signed exclusive deal for horseracing in New Jersey**
- **Signed new deal with the Waterhouse Group**
- **31 March 2020 closing cash balance of \$2.3 million**
- **Monmouth Park informs its season launch now scheduled for 4<sup>th</sup> July 2020 after COVID-19 delay**
- **Reaffirmed guidance of positive EBITDA for FY20**

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 the quarter ending 31 March 2020.

Q3 FY20 was a significant quarter for the Company as its wholly owned subsidiary, BetMakers DNA Pty Ltd, signed a first-of-its-kind agreement to offer Fixed Odds betting on horse racing in New Jersey (as announced to the market on 5<sup>th</sup> February 2020), as well as continuing on its expansion of B2B wagering products through a landmark partnership with the Waterhouse Group<sup>1</sup> (as announced to the market on 28<sup>th</sup> January 2020).

The Board believes that these two transactions have positioned the Company very well for future growth, building on the strong base established by the existing domestic B2B wagering business.

The Waterhouse Group partnership has already resulted in further progress for BetMakers, with the Company signing agreements with two of Australia’s premier on course rails bookmakers (as announced to the market on 27 April 2020).

In light of the future growth expected across the business, in January 2020 the Company decided to make an additional investment into its technology and team, including with respect to the New Jersey and Waterhouse Group opportunities. During the quarter the Company made strategic staff hires and invested in excess of \$150,000 directly on the development of the US opportunity (primarily comprised of staff, travel and professional fees), as well as \$294,000 on the development of its software technology (primarily comprised of staff).

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<sup>1</sup> The Waterhouse Group comprises Tom Waterhouse Punting Pty Ltd ACN 625 660 648, Waterhouse VC Pty Ltd ACN 635 494 and Tarpin Finance Pty Ltd ACN 622 556 423.



### **Further COVID-19 update**

As announced on 26<sup>th</sup> March 2020, to date, there has been no impact on BetMakers as a B2B racing wagering technology business, most importantly noting there has been no loss of customers or contracts. Delivery of existing products and services are currently operating as normal.

With respect to the expected launch of the Fixed Odds business in New Jersey, Monmouth Park recently announced the start of its racing season had been rescheduled because of the COVID-19 restrictions that are currently in place in New Jersey. The season, originally scheduled to launch on 2<sup>nd</sup> May 2020, is now expected to commence on 4<sup>th</sup> July 2020.

Under the terms of its exclusive 10-year agreement, BetMakers had intended the launch of Fixed Odds betting in New Jersey to coincide with Monmouth Park's season launch. The Company is working with Monmouth Park on a plan to begin Fixed Odds betting on International and Interstate horse racing prior to Monmouth Park's season starting. The Company remains pleased with the progress made with Monmouth Park and continues to expect that the Fixed Odds wagering business in New Jersey will contribute materially to revenues following launch.

Previously expected revenue from Fixed Odds wagering on Monmouth Park racing in Q4 FY20 will be delayed, which is expected to have an impact on the previous FY20 revenue guidance of \$10mil. The Company had previously expected the launch of US operations to deliver approximately \$1.0million of revenue during Q4 FY2020.

### **The Company reiterates previous guidance that it expects to return a positive EBITDA for FY20.**

*The Company paid Directors \$100,000 for services during the quarter ending 31 March 2020. This includes payment to the CEO for employment services as CEO.*

*During the quarter the Company paid \$100,000 in interest in relation to the deferred acquisition payments for DynamicOdds and Global Betting Services (\$4.0million deferred, attracting 10% interest per annum, cash paid).*

The Appendix 4C for the quarter ending 31 March 2020 is attached to this announcement.

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

For further information please contact

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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")**

31 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,701	5,124
1.2 Payments for		
(a) research and development	(294)	(882)
(b) product manufacturing and operating costs	(261)	(919)
(c) advertising and marketing	(1)	(3)
(d) leased assets	(55)	(136)
(e) staff costs	(772)	(2,229)
(f) administration and corporate costs	(557)	(1,823)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(100)	(292)
1.6 Income taxes paid	(2)	(8)
1.7 Government grants and tax incentives	-	627
1.8 Other (provide details if material)	-	(101)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(341)</b>	<b>(642)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(71)	(109)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(71)</b>	<b>(109)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,760
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(166)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,594</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,699	453
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(341)	(642)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(71)	(109)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,594
4.5	Effect of movement in exchange rates on cash held	(8)	(17)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,279</b>	<b>2,279</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,279	2,699
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,279</b>	<b>2,699</b>

**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
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
100
-

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 <b>Total financing facilities</b>	-	-

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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(341)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,279
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,279
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>7</b>

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: .30 April 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.