

23 July 2019

BetMakers reports positive EBITDA for June quarter and updates guidance for FY20**Highlights**

- **Positive underlying EBITDA for the June 2019 quarter**
- **Positive cashflow expected for September 2019 quarter**
- **Updated guidance for FY20 of \$3.4mil to \$3.7mil EBITDA on expected revenues of \$10mil**
- **Completed current payment obligations for acquisition of DynamicOdds Pty Ltd and C.D.K Software Limited**
- **Completed current payment obligations for acquisition of Global Betting Services Pty Ltd**
- **Secured strategic investment from Tekkorp Holdings LLC**

The Board of BetMakers Technology Group Ltd (ASX:BET) (the “Company” or “BetMakers”) is pleased to announce that it has achieved positive normalized EBITDA for the June 2019 quarter and has updated guidance for FY20, in which it expects to achieve \$10mil in revenue, up from \$6.2mil for FY19 (+60%).

Based on the estimated revenues, the Company now expects to deliver between \$3.4mil and \$3.7mil in EBITDA for FY20.

BetMakers Chief Executive Officer, Mr. Todd Buckingham, said:

“The Company is seeing increasing demand in International wagering markets for its products and services, and we will continue to pursue these opportunities as well as enhancing and expanding products domestically.”

“We are now in a position where we believe we are sufficiently funded to execute on growth plans – as a technology company, there is a need to develop new products and services and we feel that we are now in a position to do this through internal cash-flows.”

“We aim to be the leading betting technology company globally with a key focus on being the conduit between racing bodies and wagering operators for both their commercial success and compliance and integrity obligations.”

In the June 2019 quarter, the Company accepted a strategic investment from Tekkorp Holdings LLC (“Tekkorp”), a Las Vegas-based international wagering and gaming industry investment firm (“Investment”). President and CEO of Tekkorp, Mr. Matt Davy, is an international wagering and gaming industry leader with more than 20 years of experience who recently sold NYX Gaming Group to Scientific Games for more than \$800mil.

The June 2019 quarter also saw the completion of the pro-rata non-renounceable rights issue, which, together with the Investment, allowed the Company to restructure and finalise the immediate cash payment obligations in respect of the acquisitions of DynamicOdds Pty Ltd, C.D.K Software Limited and Global Betting Services Pty Ltd. The Company has now satisfied its current payment obligations with the final payments due by 30 June 2024.

The Company would also like to note that while normal activities included positive EBITDA numbers, it has reported negative cash-flows for the June 2019 quarter due to several one-off payments associated with restructuring across the business to realise acquisition synergies, and other costs incurred in relation to refinancing and capital raising activities.

Cash outgoings for Q1 FY20 are expected to be approximately \$1.80mil compared with expected cash inflows during the quarter of at least \$2.00mil.

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

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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.

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+Rule 4.7B

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

BetMakers Technology Group Limited
(formerly The BetMakers Holdings Limited)

ABN

21 164 521 395

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,819	6,731
1.2 Payments for		
(a) research and development	(294)	(1,176)
(b) product manufacturing and operating costs	(278)	(2,685)
(c) advertising and marketing	(14)	(6)
(d) leased assets	(61)	(160)
(e) staff costs	(743)	(2,769)
(f) administration and corporate costs	(873)	(3,454)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	10
1.5 Interest and other costs of finance paid	(19)	(40)
1.6 Income taxes paid	(46)	(93)
1.7 Government grants and tax incentives	-	776
1.8 Other (expenses for licences, other legal costs and Global Tote development)	(37)	(346)
1.9 Net cash from / (used in) operating activities	(545)	(3,212)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(21)
(b) businesses (see item 10)	(3,400)	(9,906)
(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)	-	3,331
(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	(3,408)	(6,596)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,667	9,138
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	(100)	(324)
3.5 Proceeds from borrowings	-	500
3.6 Repayment of borrowings	(500)	(500)
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	4,067	8,814

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	339	1,447
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(545)	(3,212)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,408)	(6,596)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,067	8,814
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	453	453

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	453	339
5.2 Call deposits	-	-
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)	453	339

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	40
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.

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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	(298)
9.2 Product manufacturing and operating costs	(250)
9.3 Advertising and marketing	-
9.4 Leased assets	(36)
9.5 Staff costs	(485)
9.6 Administration and corporate costs	(631)
9.7 Interest charges	(100)
9.8 Total estimated cash outflows	(1,800)

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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	-\$7,423	
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	\$135,196	
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: 23 July 2019

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

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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.

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