

13 August 2019

ASX Compliance Pty Ltd
Attn: Charlotte Hope
20 Bridge Street
Sydney, NSW 2000

Dear Ms Hope,

Response to Appendix 4C Query

We refer to your letter dated 8 August 2019 in relation to BetMakers Technology Group Ltd's ("BET") Appendix 4C quarterly report released on 23 July 2019 ("4C"). Please see below for BET's response to your questions:

1. *Does BET expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

BET expects to have positive operating cash flows during the quarter ending 30 September 2019 and expects to maintain positive cash flows thereafter. As noted in BET's Quarterly Update released on 23 July 2019, "*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*".

Positive ongoing cash flows are expected as a result of:

- Maintaining the now reduced cash outflows of approximately \$1.8m per quarter. Estimated operational cash outflows for the quarter ending 30 September 2019 are \$1.8m, compared to operational cash outflows of \$2.364m for the quarter ended 30 June 2019 (as noted in the BET Investor Presentation released on 10 May 2019, pg6, BET has achieved "*Significant cost reduction... through cost rationalisation and extraction of group synergies*"), and
- Achieving revenue uplift as a result of expanding on current customer relationships and developing new product offerings such as:
 - The new Barrier Tech product as announced on 31 July 2019 ("*a deal with Racing Victoria for the use of BetMakers' technology to provide real-time data and information on horses loading into barriers before races*"),
 - The new UK Greyhound distribution deal as announced on 24 May 2019 ("*a deal with Sports Information Services Limited ("SIS") to distribute SIS's 33,000 annual British and Irish Greyhound racing content into the Australian and NZ markets*"), and
 - The expansion of BETs provision of racing content to Betgenius as announced on 22 May 2019 ("*the Agreement provides Betgenius customers access to Irish horse racing data via event-life cycle information, BetMakers' proprietary fixed pricing and enhanced data packages for around 250,000*

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2. *Has BET 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?*

No, BET has not taken any steps, and does not propose to take any steps, to raise further cash to fund operations at this time.

3. *Does BET expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Yes, as outlined in Question 1 above, BET expects to meet its business objectives as a profitable and cash generative company. As stated in the BET Quarterly Update released on 23 July 2019, the BET Board provided FY2020 financial guidance of \$10mil in revenue and between \$3.4m - \$3.7m in EBITDA. This guidance is based upon the current operations and expected growth during the coming year. As noted within BET’s Quarterly Update released on 23 July 2019, CEO 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”*.

4. *Please confirm that BET is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.*

Yes, BET confirms it is in compliance with Listing Rule 3.1 and there is no information that is required to be given to the ASX about its financial condition in accordance with Chapter 3 of the ASX Listing Rules that has not already been released to the market.

5. *Please confirm that BET’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BET with delegated authority from the board to respond to ASX on disclosure matters*

Yes, BET confirms that the responses to the questions above have been authorised by the Board in accordance with BET’s published continuous disclosure policy.

Please let me know if you require any further information.

Kind regards,



Charly Duffy
Company Secretary
BetMakers Technology Group Ltd

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8 August 2019

Ms Charly Duffy
Company Secretary
Betmakers Technology Group Ltd
22 Lambton Road
Broadmeadow
NSW, 2292

By email:

Dear Ms Duffy

Betmakers Technology Group Ltd ('BET'): Appendix 4C Query

ASX refers to BET's Appendix 4C quarterly report for the period ended 30 June 2019 lodged with the ASX Market Announcements Platform and released on 23 July 2019 (the 'Appendix 4C').

ASX notes that BET has reported:

- negative net operating cash flows for the quarter of \$545,000;
- cash at the end of the quarter of \$453,000; and
- estimated cash outflows for the next quarter of \$1,800,000.

It is possible to conclude, based on the information in the Appendix 4C, that if BET were to continue to expend cash at the rate indicated by the Appendix 4C, BET may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks BET to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does BET expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has BET 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?
3. Does BET expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that BET is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that BET's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BET with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that BET considers may be relevant to ASX forming an opinion on whether BET is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

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This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEST Tuesday, 13 August 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in BET's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BET's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to BET's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BET's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in BET's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Charlotte Hope
Senior Adviser, Listings Compliance (Sydney)