

## 1. Company details

Name of entity:	BetMakers Technology Group Ltd
ABN:	21 164 521 395
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

## 2. Results for announcement to the market

The group has adopted Accounting Standard AASB 16 'Leases' for the half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives have not been restated.

			\$
Revenues from ordinary activities	up	44.9% to	4,039,382
Loss from ordinary activities after tax attributable to the owners of BetMakers Technology Group Ltd	down	68.9% to	(556,348)
Loss for the half-year attributable to the owners of BetMakers Technology Group Ltd	down	68.9% to	(556,348)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the group after providing for income tax amounted to \$556,348 (31 December 2018: \$1,786,376).

AASB 16 'Leases' had no significant impact on the current period. The current loss before income tax expense was increased by \$19,247. This included an increased depreciation and amortisation expense of \$84,845 and increased finance costs of \$10,144. As at 31 December 2019, net current assets were reduced by \$148,370 (attributable to current lease liabilities) and net assets were decreased by \$19,247 (attributable to right-of-use assets and lease liabilities).

Further information on the 'Review of operations' is detailed in the Directors' report which is part of the Interim Report.

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.38	(2.76)

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Details of associates and joint venture entities

Not applicable.

## 7. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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## 8. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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## 9. Attachments

*Details of attachments (if any):*

The Interim Report of BetMakers Technology Group Ltd for the half-year ended 31 December 2019 is attached.

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## 10. Signed

Signed 

Date: 26 February 2020

Todd Buckingham  
Director  
Newcastle

# **BetMakers Technology Group Ltd**

**ABN 21 164 521 395**

## **Interim Report - 31 December 2019**

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of BetMakers Technology Group Ltd (referred to hereafter as the 'company', "BET" or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

### **Directors**

The following persons were directors of BetMakers Technology Group Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nicholas Chan - Chairman  
Todd Buckingham  
Simon Dulhunty

### **Principal activities**

The group's principal activities during the financial half-year were the development and provision of data and analytic products for the B2B wagering market and the production and distribution of racing content.

### **Review of operations**

The loss for the group after providing for income tax amounted to \$556,348 (31 December 2018: \$1,786,376).

Excluding depreciation and amortisation, income tax benefit and financing costs, the group's result was \$645,481.

AASB 16 'Leases' had no significant impact on the current period. The current loss before income tax expense was increased by \$19,247. This included an increased depreciation and amortisation expense of \$84,845 and increased finance costs of \$10,144. As at 31 December 2019, net current assets were reduced by \$148,370 (attributable to current lease liabilities) and net assets were decreased by \$19,247 (attributable to right-of-use assets and lease liabilities).

### **Significant changes in the state of affairs**

The consideration for the acquisition of DynamicOdds and Global Betting Services contained a Performance Payment which was contingent upon the Earnings Before Interest and Tax ("EBIT") performance of both entities. During the half year, both entities met the EBIT hurdles required for a \$3,000,000 Performance Payment due to the vendors of each company. On 31 October 2019, the Company met its total Performance Payment obligation through the issuance of 41,095,890 ordinary shares at a price of \$0.146 per share.

On 7 November 2019 the Company issued 18,904,110 shares to existing shareholders at a price of \$0.146 per share, raising \$2,760,000 in cash.

There were no other significant changes in the state of affairs of the group during the financial half-year.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Nicholas Chan  
Chairman



Todd Buckingham  
Director

26 February 2020  
Newcastle

## BETMAKERS TECHNOLOGY GROUP LIMITED

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I am pleased to provide the following declaration of independence to the directors of Betmakers Technology Group Limited.

As lead audit partner for the review of the financial statements of Betmakers Technology Group Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



PKF



MARTIN MATTHEWS  
PARTNER

26 FEBRUARY 2020  
NEWCASTLE, NSW

**BetMakers Technology Group Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2019**



	<b>Note</b>	<b>Consolidated</b> <b>31/12/2019</b> <b>\$</b>	<b>31/12/2018</b> <b>\$</b>
<b>Revenue from continuing operations</b>			
Revenue		4,038,368	2,780,059
Cost of sales		(442,099)	(1,449,801)
Gross profit		3,596,269	1,330,258
Other income	4	250,000	250,000
Interest revenue calculated using the effective interest method		1,014	7,966
<b>Expenses</b>			
Employee benefits expense		(1,966,569)	(1,779,190)
Professional fees		(332,896)	(547,452)
Administration expenses		(335,708)	(434,534)
IT expenses		(559,450)	(575,951)
Occupancy expenses		(31,386)	(84,707)
Depreciation and amortisation expense	5	(1,066,269)	(194,046)
Recovery/(impairment) of receivables	6	259,472	(202,562)
Share-based payments expense	19	(188,567)	(37,664)
Other expenses		(46,698)	(103,513)
Finance costs	5	(237,790)	(17,021)
<b>Loss before income tax benefit</b>		<b>(658,578)</b>	<b>(2,388,416)</b>
Income tax benefit		102,230	602,040
<b>Loss after income tax benefit for the half-year attributable to the owners of BetMakers Technology Group Ltd</b>		<b>(556,348)</b>	<b>(1,786,376)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of BetMakers Technology Group Ltd</b>		<b>(556,348)</b>	<b>(1,786,376)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	18	(0.13)	(0.86)
Diluted earnings per share	18	(0.13)	(0.86)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**BetMakers Technology Group Ltd**  
**Statement of financial position**  
**As at 31 December 2019**



	<b>Note</b>	<b>Consolidated</b> <b>31/12/2019</b> <b>\$</b>	<b>30/06/2019</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,699,277	453,104
Trade and other receivables	6	1,183,784	1,240,925
Prepayments		147,664	82,687
Total current assets		<u>4,030,725</u>	<u>1,776,716</u>
<b>Non-current assets</b>			
Trade and other receivables	6	771,664	512,192
Property, plant and equipment	7	165,902	159,348
Right-of-use assets	8	221,428	-
Intangibles	9	20,910,075	21,626,990
Deferred tax		6,680,516	6,529,787
Total non-current assets		<u>28,749,585</u>	<u>28,828,317</u>
<b>Total assets</b>		<u>32,780,310</u>	<u>30,605,033</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	807,313	1,155,060
Lease liabilities	11	148,370	-
Income tax		-	30,353
Employee benefits		188,452	179,240
Other financial liabilities	12	-	6,000,000
Total current liabilities		<u>1,144,135</u>	<u>7,364,653</u>
<b>Non-current liabilities</b>			
Lease liabilities	11	92,305	-
Employee benefits		109,420	84,063
Other financial liabilities	12	4,000,000	4,000,000
Total non-current liabilities		<u>4,201,725</u>	<u>4,084,063</u>
<b>Total liabilities</b>		<u>5,345,860</u>	<u>11,448,716</u>
<b>Net assets</b>		<u>27,434,450</u>	<u>19,156,317</u>
<b>Equity</b>			
Issued capital	13	51,063,771	42,417,857
Reserves		902,208	713,641
Accumulated losses		<u>(24,531,529)</u>	<u>(23,975,181)</u>
<b>Total equity</b>		<u>27,434,450</u>	<u>19,156,317</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*



**BetMakers Technology Group Ltd**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2019**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2018	32,484,366	1,449,763	(21,202,074)	12,732,055
Loss after income tax benefit for the half-year	-	-	(1,786,376)	(1,786,376)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,786,376)	(1,786,376)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs and tax impact (note 12)	4,343,526	-	-	4,343,526
Share-based payments	-	37,664	-	37,664
Share-based payments - cancelled options	-	(633,750)	633,750	-
Balance at 31 December 2018	<u>36,827,892</u>	<u>853,677</u>	<u>(22,354,700)</u>	<u>15,326,869</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	42,417,857	713,641	(23,975,181)	19,156,317
Loss after income tax benefit for the half-year	-	-	(556,348)	(556,348)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(556,348)	(556,348)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	8,645,914	-	-	8,645,914
Share-based payments (note 19)	-	188,567	-	188,567
Balance at 31 December 2019	<u>51,063,771</u>	<u>902,208</u>	<u>(24,531,529)</u>	<u>27,434,450</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**BetMakers Technology Group Ltd**  
**Statement of cash flows**  
**For the half-year ended 31 December 2019**



	<b>Note</b>	<b>Consolidated</b> <b>31/12/2019</b> <b>\$</b>	<b>31/12/2018</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers - net		3,201,190	2,621,381
Payments to suppliers and employees		(3,862,752)	(6,174,619)
Interest received		1,014	7,966
Interest and other finance costs paid		(192,397)	(13,076)
Research and development tax rebate received		634,847	774,028
Income taxes paid		(5,692)	-
Net cash used in operating activities		(223,790)	(2,784,320)
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired		-	(3,535,253)
Payments for property, plant and equipment		(51,475)	-
Final payments for prior period's business acquisition		-	(905,700)
Proceeds from disposal of business		-	1,300,696
Net cash used in investing activities		(51,475)	(3,140,257)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	13	2,760,000	4,471,957
Share issue transaction costs		(173,095)	(203,087)
Proceeds of loans from related parties		-	500,000
Repayment of lease liabilities		(65,467)	-
Net cash from financing activities		2,521,438	4,768,870
Net increase/(decrease) in cash and cash equivalents		2,246,173	(1,155,707)
Cash and cash equivalents at the beginning of the financial half-year		453,104	1,456,766
Cash and cash equivalents at the end of the financial half-year		<u>2,699,277</u>	<u>301,059</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. General information**

The financial statements cover BetMakers Technology Group Ltd as a group consisting of BetMakers Technology Group Ltd (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (referred to in these financial statements as the 'group'). The financial statements are presented in Australian dollars, which is BetMakers Technology Group Ltd's functional and presentation currency.

BetMakers Technology Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

22 Lambton Road  
Broadmeadow, NSW 2292

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2020.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

### **Going concern and recoverability of intangible assets and deferred tax assets**

During the period, the group incurred a net loss after tax of \$556,348 (Dec 2018: \$1,786,376) and net operating cash outflows of \$223,790 (Dec 2018: \$2,784,320). The half yearly report has been prepared on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business. The company has prepared cash flow forecasts as at 31 December 2019 to determine the appropriateness of the going concern assumption and the recoverability of the group's intangibles and deferred tax assets.

The key assumptions underlying these forecasts are as follows:

- Execution on new deals such as the New Jersey opportunity and the Tom Waterhouse deals;
- Continuation of existing Platforms, GBS and DynamicOdds business performance with modest growth achieved;
- The successful expansion of the global racing content product; and
- Increased Global Tote turnover from product expansion and on boarding of additional bookmakers.

The Directors are confident of achieving these assumptions. Should the above assumptions not be realised, the going concern basis may not be appropriate and the company may be unable to realise its assets (including the group's intangibles and deferred tax assets) and discharge its liabilities in the normal course of business.

### **New or amended Accounting Standards and Interpretations adopted**

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial half-year ended 31 December 2019 and are not expected to have any significant impact for the full financial year ending 30 June 2020.

## Note 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the group:

### AASB 16 Leases

The group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

### Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption in opening accumulated losses as at 1 July 2019 was nil as follows:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	269,645
Adjustment to opening balance of operating lease commitments as at 1 July 2019 (AASB 117)	5,938
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16)	(22,683)
Make good provision as at 1 July 2019 (AASB 16)	53,373
Right-of-use assets (AASB 16)	<u>306,273</u>
Lease liabilities - current (AASB 16)	(138,016)
Lease liabilities - non-current (AASB 16)	<u>(168,257)</u>
Reduction/increase in opening accumulated losses as at 1 July 2019	<u>-</u>

### Practical expedients applied

In adopting AASB 16, the Group has used the following practical expedients permitted by the standard:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

### Management Assumptions

There are specific estimates and judgements that were used as part of the calculation of right-of-use assets and lease liabilities. These estimates include the lease terms, lease make good provisions and lease increases based on consumer price index. Management used the best available estimate of these inputs in the calculations.

Management have elected not to apply the available expedient to not separately account for non-lease components. As such, the Group has separated any non-lease components from future lease payments and will continue to account for these components as an expense over time as the non-lease components are provided. As such, there are no future assets or obligations recognised in respect of non-lease components.

For some leases, the identification of amounts related to non-lease components must be estimated due to contracts not including an explicit break-up. In these cases, management estimates the value of the non-lease component by reference to available market data. Where the estimate is significant, management includes a note to detail the judgements made to arrive at the estimate.

## **Note 2. Significant accounting policies (continued)**

### *Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### *Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### *Lease make good provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

## **Note 3. Operating segments**

### *Identification of reportable operating segments*

The group operates in three segments being content and integrity, wholesale wagering products and corporate. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

Content and integrity	The group assists racing bodies and rights holders in producing and distributing race content. This includes services such as barrier technology, official price calculation, vision and pricing distribution.
Wholesale wagering products	The group provides customers with a variety of racing data and analytical tools. This includes basic race data such as pricing, runners, and form, analytical tools to consume and leverage the data, and wagering tools such as platforms and the Global Tote.

### Note 3. Operating segments (continued)

#### Change in structure of segments reported

For 30 June 2019 reporting, the board elected to adjust the group's segment reporting to better align with the group's current operations. It should be noted that the current segments vary slightly from those of Content Services and Wholesale Wagering, as reported at 31 December 2018. The comparative segment information disclosed below has been adjusted to reflect the revised operating segments of content & integrity, wholesale wagering products and corporate.

#### Operating segment information

	Content & integrity \$	Wholesale wagering products \$	Total \$
<b>Consolidated - 31/12/2019</b>			
<b>Revenue</b>			
Sales to external customers	873,649	3,164,719	4,038,368
<b>Total revenue</b>	<u>873,649</u>	<u>3,164,719</u>	<u>4,038,368</u>
<b>Segment result</b>			
Depreciation and amortisation	301,697	1,661,543	1,963,240
	(193,977)	(742,938)	(936,915)
	<u>107,720</u>	<u>918,605</u>	<u>1,026,325</u>
<b>Unallocated segment results</b>			(1,638,664)
Depreciation and amortisation			(129,354)
Research and development tax rebate			250,000
Finance costs			(237,790)
Share option expense			(188,567)
Provision write-back			259,472
<b>Loss before income tax benefit</b>			<u>(658,578)</u>
Income tax benefit			102,230
<b>Loss after income tax benefit</b>			<u>(556,348)</u>
<b>Assets</b>			
Segment assets	1,870,951	19,932,791	21,803,742
Unallocated assets			10,976,568
<b>Total assets</b>			<u>32,780,310</u>
<b>Liabilities</b>			
Segment liabilities	168,348	138,992	307,340
Unallocated liabilities			5,038,520
<b>Total liabilities</b>			<u>5,345,860</u>

**Note 3. Operating segments (continued)**

	Content & integrity \$	Wholesale wagering products \$	Total \$
<b>Consolidated - 31/12/2018</b>			
<b>Revenue</b>			
Sales to external customers	180,198	2,599,861	2,780,059
<b>Total revenue</b>	<u>180,198</u>	<u>2,599,861</u>	<u>2,780,059</u>
<b>Segment result</b>			
Depreciation and amortisation	90,625	(153,190)	(62,565)
	-	(109,439)	(109,439)
	<u>90,625</u>	<u>(262,629)</u>	<u>(172,004)</u>
<b>Unallocated Segment results</b>			(2,132,448)
Depreciation and amortisation			(84,607)
Research and development tax rebate			250,000
Interest revenue			7,889
Finance costs			(17,021)
Share option expense			(37,664)
Provision expense			(202,561)
<b>Loss before income tax benefit</b>			<u>(2,386,416)</u>
Income tax benefit			602,040
<b>Loss after income tax benefit</b>			<u>(1,786,376)</u>
<b>Consolidated - 30/06/2019</b>			
<b>Assets</b>			
Segment assets	1,672,123	21,122,190	22,794,313
Unallocated assets			7,810,720
<b>Total assets</b>			<u>30,605,033</u>
<b>Liabilities</b>			
Segment liabilities	1,364,220	9,395,504	10,759,724
Unallocated liabilities			688,992
<b>Total liabilities</b>			<u>11,448,716</u>

*Geographical information*

	<b>Sales to external customers</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>\$</b>	<b>\$</b>
Australia and New Zealand	3,166,634	2,594,205
United Kingdom	497,358	137,236
United States of America	374,376	48,618
	<u>4,038,368</u>	<u>2,780,059</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Revenue is recognised at the point the services are transferred.

#### Note 4. Other income

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>\$</b>	<b>\$</b>
Research and development tax rebate	250,000	250,000

#### Note 5. Expenses

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	16,219	14,470
Plant and equipment	361	361
Computer equipment	10,978	58,659
Furniture and fittings	16,950	14,783
Plant and equipment right-of-use assets	84,846	-
Total depreciation	129,354	88,273
<i>Amortisation</i>		
Software	776,430	-
Intellectual property	160,485	105,773
Total amortisation	936,915	105,773
Total depreciation and amortisation	1,066,269	194,046
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	227,646	17,021
Interest and finance charges paid/payable on lease liabilities	10,144	-
Finance costs expensed	237,790	17,021

#### Note 6. Trade and other receivables

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	893,666	423,734
Other receivables	-	115,526
Research and development tax receivable	250,000	661,246
Rental bonds	40,118	40,419
	290,118	817,191
	1,183,784	1,240,925
<i>Non-current assets</i>		
Employee Share Loan receivable (net of provision for doubtful debts)	771,664	512,192
	1,955,448	1,753,117



#### Note 6. Trade and other receivables (continued)

Employee Share Loans were extended to select employees in March 2015 for the purpose of purchasing shares in OM Group Holdings (the parent entity prior to IPO). The loans are repayable upon receipt of dividends or sale of shares. The gross loan receivable amounted to \$771,664, although a provision was raised of \$259,472 as at 30 June 2019 as the share price at the time (at \$0.045 per share) did not support full recovery of the loan had the employees sold their shares at that price.

As at 31 December 2019 the share price was \$0.145 per share and hence the loan is now recoverable in full and the provision of \$259,472 was reversed.

#### Allowance for expected credit losses

The group has recognised a recovery of \$259,472 (2018: a loss of \$202,562) in profit or loss in respect of the expected credit losses for the period ended 31 December 2019.

#### Note 7. Property, plant and equipment

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leasehold improvements - at cost	167,048	150,362
Less: Accumulated depreciation	(102,019)	(85,800)
	<u>65,029</u>	<u>64,562</u>
Plant and equipment - at cost	4,888	4,888
Less: Accumulated depreciation	(2,527)	(2,166)
	<u>2,361</u>	<u>2,722</u>
Computer equipment - at cost	387,851	356,500
Less: Accumulated depreciation	(336,783)	(325,805)
	<u>51,068</u>	<u>30,695</u>
Furniture and fittings - at cost	150,030	147,005
Less: Accumulated depreciation	(102,586)	(85,636)
	<u>47,444</u>	<u>61,369</u>
	<u><u>165,902</u></u>	<u><u>159,348</u></u>

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Computer equipment</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>					
Balance at 1 July 2019	64,562	2,722	30,695	61,369	159,348
Additions	16,785	-	31,351	3,339	51,475
Exchange differences	(99)	-	-	(314)	(413)
Depreciation expense	(16,219)	(361)	(10,978)	(16,950)	(44,508)
Balance at 31 December 2019	<u><u>65,029</u></u>	<u><u>2,361</u></u>	<u><u>51,068</u></u>	<u><u>47,444</u></u>	<u><u>165,902</u></u>

## Note 8. Right-of-use assets

**Consolidated**  
**31/12/2019    30/06/2019**  
**\$                    \$**

### Non-current assets

Plant and equipment - right-of-use

221,428                    -

The group leases land and buildings for its offices of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The group leases photocopier office equipment. These leases are low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

## Note 9. Intangibles

**Consolidated**  
**31/12/2019    30/06/2019**  
**\$                    \$**

### Non-current assets

Goodwill - at cost

Less: Impairment

16,257,658            16,257,658  
(1,802,453)        (1,802,453)  
14,455,205        14,455,205

Intellectual property - at cost

Less: Accumulated amortisation

1,510,315            1,510,315  
(765,564)        (605,079)  
744,751            905,236

Software - at cost

Less: Accumulated amortisation

7,739,859            7,519,859  
(2,029,740)        (1,253,310)  
5,710,119        6,266,549

20,910,075        21,626,990

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>Goodwill \$</b>	<b>Intellectual property \$</b>	<b>Software \$</b>	<b>Total \$</b>
Balance at 1 July 2019	14,455,205	905,236	6,266,549	21,626,990
Additions	-	-	220,000	220,000
Amortisation expense	-	(160,485)	(776,430)	(936,915)
Balance at 31 December 2019	<u>14,455,205</u>	<u>744,751</u>	<u>5,710,119</u>	<u>20,910,075</u>

**Note 10. Trade and other payables**

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	358,944	503,709
Accrued expenses	371,975	342,023
Goods and services tax ('GST') payable	52,714	77,039
Other payables	23,680	232,289
	<u>807,313</u>	<u>1,155,060</u>

**Note 11. Lease liabilities**

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liability	148,370	-
<i>Non-current liabilities</i>		
Lease liability	92,305	-
	<u>240,675</u>	<u>-</u>

Refer to note 8 for further information.

**Note 12. Other financial liabilities**

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Earn-out provision	-	6,000,000
<i>Non-current liabilities</i>		
Deferred consideration	4,000,000	4,000,000
	<u>4,000,000</u>	<u>10,000,000</u>

*Deferred consideration*

The balance of \$4,000,000 is payable on or before 30 June 2024, and attracts 10% interest p/a. The group is able to make principal repayments during the period at any time.

*Earn-out provision*

The Earn-out provision at 30 June 2019 related to the Performance Payments attached to the DynamicOdds and Global Betting Services transactions. This liability was met on 31 October 2019 through the issuance of 41,095,890 shares, at a price of \$0.146 per share, to the vendors of DynamicOdds and Global Betting Services.

### Note 13. Issued capital

	31/12/2019 Shares	Consolidated 30/06/2019 Shares	31/12/2019 \$	30/06/2019 \$
Ordinary shares - fully paid	<u>473,489,993</u>	<u>413,489,993</u>	<u>51,063,771</u>	<u>42,417,857</u>

#### Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2019	413,489,993	42,417,857
Shares issued	31 October 2019	41,095,890	\$0.146 6,000,000
Shares issued	7 November 2019	18,904,110	\$0.146 2,760,000
Transaction costs		-	\$0.000 (114,086)
Balance	31 December 2019	<u>473,489,993</u>	<u>51,063,771</u>

### Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Note 15. Fair value measurement

#### Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31/12/2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Deferred consideration	-	-	4,000,000	4,000,000
Total liabilities	-	-	4,000,000	4,000,000

Consolidated - 30/06/2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Deferred consideration	-	-	4,000,000	4,000,000
Earn-out provision	-	-	6,000,000	6,000,000
Total liabilities	-	-	10,000,000	10,000,000

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

## Note 16. Contingent liabilities

As at 30 June 2019 the group disclosed the active proceedings between two of the shareholders ("Plaintiffs") of Punters Show Pty Ltd ("Punters Show") and BetMakers and others ("Defendants").

On 13 December 2019, the Supreme Court of NSW delivered a judgment in favour of BetMakers, awarding costs to BetMakers.

The group had no contingent liabilities as at 31 December 2019.

## Note 17. Related party transactions

### Parent entity

BetMakers Technology Group Ltd is the parent entity.

### Transactions with related parties

There were no transactions with related parties during the current and previous financial half-year.

### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

### Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
Current receivables:		
Loan to key management personnel *	340,922	340,922

\* As detailed in note 6, the group issued Employee Share Loans in March 2015. Those loans are repayable upon payment of a dividend or upon share sale. As at 31 December 2019, \$340,922 of share loans related to Related Parties (i.e. key management personnel).

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 18. Earnings per share

	<b>Consolidated</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of BetMakers Technology Group Ltd	<u>(556,348)</u>	<u>(1,786,376)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>432,988,206</u>	<u>207,046,099</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>432,988,206</u>	<u>207,046,099</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.13)	(0.86)
Diluted earnings per share	(0.13)	(0.86)

#### Note 18. Earnings per share (continued)

63,671,681 options over ordinary shares are not included in the calculation of diluted earnings per share because they are antidilutive for the half-year ended 31 December 2019. These options could potentially dilute basic earnings per share in the future.

#### Note 19. Share-based payments

The long-term incentives plan ('LTIP') program has been established by the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
09/12/2019	01/07/2022	\$0.140	\$0.060	80.00%	-	0.54%	\$0.096
10/10/2019	31/12/2022	\$0.170	\$0.060	80.00%	-	0.63%	\$0.121
29/08/2019	31/12/2022	\$0.073	\$0.060	80.00%	-	0.72%	\$0.028

#### Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Nicholas Chan'.

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Nicholas Chan  
Chairman

A handwritten signature in black ink, appearing to be 'Todd Buckingham'.

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Todd Buckingham  
Director

26 February 2020  
Newcastle

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BETMAKERS TECHNOLOGY GROUP LIMITED

### Report on the Half-Year Financial Report Conclusion

We have reviewed the accompanying half-year financial report of Betmakers Technology Group Limited (the company) and its controlled entities (the "consolidated entity"), which comprises the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Betmakers Technology Group Limited is not in accordance with the Corporations Act 2001 including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Betmakers Technology Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



MARTIN MATTHEWS  
PARTNER

26 FEBRUARY 2020  
NEWCASTLE, NSW