

1. Company details

Name of entity:	BetMakers Technology Group Ltd
ABN:	21 164 521 395
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	88.0% to	7,594,524
Loss from ordinary activities after tax attributable to the owners of BetMakers Technology Group Ltd	up	697.2% to	(4,435,045)
Loss for the half-year attributable to the owners of BetMakers Technology Group Ltd	up	697.2% to	(4,435,045)

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 \$4,435,045 (31 December 2019: \$556,348).

The COVID-19 pandemic has had minimal financial impact on the group up to 31 December 2020. Staff adapted well to alternate working arrangements when required, and despite ongoing challenges, sport and racing has continued to operate globally during the period. This has meant that the group had a continued role to play in delivering its services to wagering operators. BetMakers' clients have also continued to operate throughout the period, and as such, BetMakers has seen no noticeable impact on the recoverability of receivables as a result of the COVID-19 pandemic.

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

3. Net tangible assets

	Consolidated 31/12/2020 \$	Consolidated 31/12/2019 \$
Net assets	109,186,339	27,434,451
Less: Intangibles	(19,109,636)	(20,910,075)
Less: Right-of-use (ROU) assets	(519,183)	(221,428)
Add: Lease liabilities - current	160,079	148,370
Add: Lease liabilities - non-current	418,706	92,306
Net tangible assets	<u>90,136,305</u>	<u>6,543,624</u>
	Consolidated 31/12/2020	Consolidated 31/12/2019
Number of ordinary shares on issue	601,501,846	473,489,993
	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>14.99</u>	<u>1.38</u>

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.

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.

9. Attachments

Details of attachments (if any):

The Interim Report of BetMakers Technology Group Ltd for the half-year ended 31 December 2020 is attached.

10. Signed

As authorised by the Board of Directors



Signed _____

Date: 26 February 2021

Todd Buckingham
Director
Newcastle

BetMakers Technology Group Ltd

ABN 21 164 521 395

Interim Report - 31 December 2020

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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 2020.

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
Matt Davey (appointed 4 September 2020)

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 \$4,435,045 (31 December 2019: \$556,348).

Excluding depreciation and amortisation, income tax benefit and financing costs, the group's result was a loss of \$4,981,595 (31 December 2019: a profit of \$645,481). This includes \$3,083,161 of share based payments expense and \$831,355 in costs related to acquisitions.

The COVID-19 pandemic has had minimal financial impact on the group up to 31 December 2020. Staff adapted well to alternate working arrangements when required, and despite ongoing challenges, sport and racing has continued to operate globally during the period. This has meant that the group had a continued role to play in delivering its services to wagering operators. BetMakers' clients have also continued to operate throughout the period, and as such, BetMakers has seen no noticeable impact on the recoverability of receivables as a result of the COVID-19 pandemic.

Significant changes in the state of affairs

During the half-year BetMakers continued to invest in the development of its global strategy.

This included signing fixed odds deals in the US with Pointsbet, and data distribution deals with a number of US race tracks. Whilst the company continues to wait for the legislation of fixed odds horse race betting in New Jersey, investment has continued to be made to assist a fast and scalable expansion once the bill is signed off by the Attorney General.

On 1 December 2020 BetMakers announced it had entered into binding agreements to acquire Sportech PLC's Racing and Digital assets for a consideration of GBP 30.9 million. On 29 December 2020 the company announced that Sportech shareholders had approved the sale, and consequently BetMakers made a non-refundable initial payment of GBP 6.2 million.

To support the funding of the Sportech asset acquisition, on 2 December 2020 BetMakers announced it had received firm commitments to raise \$50,000,000 (before costs) under a placement via the issue of approximately 83.3 million new fully paid ordinary shares at an offer price of \$0.60.

In addition to the above, the company announced the launch of a \$10,000,000 Share Purchase Plan to existing eligible investors, to issue new fully paid ordinary shares at an offer price of \$0.60. This offer closed on 15 January 2021 and was oversubscribed.

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

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

Nicholas Chan
Chairman

26 February 2021
Newcastle

A handwritten signature in black ink, appearing to be 'T Buckingham'.

Todd Buckingham
Director

Betmakers Technology Group Limited

Auditor's Independence Declaration under section 307C of the *Corporation 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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



PKF



PAUL PEARMAN
PARTNER

DATE: 26 FEBRUARY 2021
NEWCASTLE

BetMakers Technology Group Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



		Consolidated	
	Note	31/12/2020	31/12/2019
		\$	\$
Revenue	3	7,594,230	4,038,368
Cost of sales		(3,592,039)	(442,099)
Gross profit		4,002,191	3,596,269
Other income	4	-	250,000
Interest revenue calculated using the effective interest method		294	1,014
Expenses			
Employee benefits expense		(3,307,919)	(1,966,569)
Professional fees		(652,283)	(332,896)
Administration expenses		(376,464)	(335,708)
IT expenses		(203,064)	(559,450)
Occupancy expenses		(77,777)	(31,386)
Depreciation and amortisation expense	5	(1,139,852)	(1,066,269)
Recovery of receivables	6	-	259,472
Share-based payments expense	17	(3,083,161)	(188,567)
Other expenses	5	(1,062,571)	(46,698)
Finance costs	5	(41,014)	(237,790)
Loss before income tax benefit		(5,941,620)	(658,578)
Income tax benefit		1,506,575	102,230
Loss after income tax benefit for the half-year attributable to the owners of BetMakers Technology Group Ltd		(4,435,045)	(556,348)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of BetMakers Technology Group Ltd		(4,435,045)	(556,348)
		Cents	Cents
Basic earnings per share	16	(0.75)	(0.13)
Diluted earnings per share	16	(0.75)	(0.13)

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

		Consolidated	
	Note	31/12/2020	30/06/2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		68,636,514	31,624,870
Trade and other receivables	6	1,654,407	1,999,721
Deposit on acquisition	7	11,006,821	-
Prepayments		294,448	60,393
Total current assets		<u>81,592,190</u>	<u>33,684,984</u>
Non-current assets			
Trade and other receivables	6	1,388,003	839,207
Property, plant and equipment	8	323,494	235,496
Right-of-use assets	9	519,183	465,555
Intangibles	10	19,109,636	20,072,068
Deferred tax		9,461,907	7,295,014
Total non-current assets		<u>30,802,223</u>	<u>28,907,340</u>
Total assets		<u>112,394,413</u>	<u>62,592,324</u>
Liabilities			
Current liabilities			
Trade and other payables	11	2,045,039	1,284,051
Lease liabilities		160,079	112,727
Employee benefits		402,792	265,778
Other financial liabilities		-	16,452
Total current liabilities		<u>2,607,910</u>	<u>1,679,008</u>
Non-current liabilities			
Lease liabilities		418,706	350,214
Employee benefits		181,458	137,354
Other financial liabilities		-	25,021
Total non-current liabilities		<u>600,164</u>	<u>512,589</u>
Total liabilities		<u>3,208,074</u>	<u>2,191,597</u>
Net assets		<u>109,186,339</u>	<u>60,400,727</u>
Equity			
Issued capital	12	135,943,547	84,943,067
Reserves		3,793,569	1,573,392
Accumulated losses		(30,550,777)	(26,115,732)
Total equity		<u>109,186,339</u>	<u>60,400,727</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 2020



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
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	8,645,914	-	-	8,645,914
Share-based payments (note 17)	-	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>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	84,943,067	1,573,392	(26,115,732)	60,400,727
Loss after income tax benefit for the half-year	-	-	(4,435,045)	(4,435,045)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,435,045)	(4,435,045)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 12)	51,000,480	-	-	51,000,480
Share-based payments (note 17)	-	2,220,177	-	2,220,177
Balance at 31 December 2020	<u>135,943,547</u>	<u>3,793,569</u>	<u>(30,550,777)</u>	<u>109,186,339</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 2020



		Consolidated	
	Note	31/12/2020	31/12/2019
		\$	\$
Cash flows from operating activities			
Receipts from customers - net		7,858,488	3,201,190
Payments to suppliers and employees		(9,699,912)	(3,862,752)
Interest received		-	1,014
Interest and other finance costs paid		(16,986)	(192,397)
Research and development tax rebate received		584,028	634,847
Income taxes paid		(15,560)	(5,692)
Net cash used in operating activities		(1,289,942)	(223,790)
Cash flows from investing activities			
Payments for property, plant and equipment		(108,750)	(51,475)
Payments for security deposits	7	(11,006,821)	-
Net cash used in investing activities		(11,115,571)	(51,475)
Cash flows from financing activities			
Proceeds from issue of shares	12	1,645,170	2,760,000
Proceeds from shares to be issued	12	50,000,000	-
Share issue transaction costs		(2,091,500)	(173,095)
Repayment of lease liabilities		(126,838)	(65,467)
Net cash from financing activities		49,426,832	2,521,438
Net increase in cash and cash equivalents		37,021,319	2,246,173
Cash and cash equivalents at the beginning of the financial half-year		31,624,870	453,104
Effects of exchange rate changes on cash and cash equivalents		(9,675)	-
Cash and cash equivalents at the end of the financial half-year		<u>68,636,514</u>	<u>2,699,277</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 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 2020 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.

Recoverability of intangible assets and deferred tax assets

During the period, the group incurred a net loss after tax of \$4,435,045 (Dec 2019: \$556,348) and net operating cash outflows of \$1,289,942 (Dec 2019: \$223,790). The company has prepared cash flow forecasts as at 31 December 2020 to determine the recoverability of the group's intangibles and deferred tax assets.

The key assumptions underlying these forecasts are as follows:

- Completion of the Sportech asset acquisition;
- Continuation of existing Platforms, Managed Trading Services, Global Betting Services ('GBS') and DynamicOdds business performance with modest growth achieved;
- The successful expansion of the global racing content product; and
- Launch of fixed odds wagering in the USA.

The directors are confident of achieving these assumptions. Should the above assumptions not be realised, the group may be unable to realise its intangibles and deferred tax assets.

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 2020 and are not expected to have any significant impact for the full financial year ending 30 June 2021.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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.

Operating segment information

	Content & integrity \$	Wholesale wagering products \$	Total \$
Consolidated - 31/12/2020			
Revenue			
Sales to external customers	1,820,077	5,774,153	7,594,230
Total revenue	<u>1,820,077</u>	<u>5,774,153</u>	<u>7,594,230</u>
Segment result			
Depreciation and amortisation	(183,076)	1,230,199	1,047,123
	<u>(117,291)</u>	<u>(845,150)</u>	<u>(962,441)</u>
Profit/(loss) before income tax expense	<u>(300,367)</u>	<u>385,049</u>	<u>84,682</u>
Income tax expense			-
Profit after income tax expense			<u>84,682</u>
Unallocated segment results			(2,754,234)
Depreciation and amortisation			(177,411)
Finance costs			(11,496)
Share option expense			<u>(3,083,161)</u>
Loss before income tax benefit			<u>(5,941,620)</u>
Income tax benefit			1,506,575
Loss after income tax benefit			<u>(4,435,045)</u>
Assets			
Segment assets	1,949,107	19,218,098	21,167,205
Unallocated assets			91,227,208
Total assets			<u>112,394,413</u>
Liabilities			
Segment liabilities	635,625	326,031	961,656
Unallocated liabilities			2,246,418
Total liabilities			<u>3,208,074</u>

Note 3. Operating segments (continued)

	Content & integrity \$	Wholesale wagering products \$	Total \$
Consolidated - 31/12/2019			
Revenue			
Sales to external customers	873,649	3,164,719	4,038,368
Total revenue	<u>873,649</u>	<u>3,164,719</u>	<u>4,038,368</u>
Segment result	301,697	1,661,543	1,963,240
Depreciation and amortisation	(193,977)	(742,938)	(936,915)
Profit before income tax expense	<u>107,720</u>	<u>918,605</u>	<u>1,026,325</u>
Income tax expense			-
Profit after income tax expense			<u>1,026,325</u>
Unallocated segment results			(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
Loss before income tax benefit			<u>(658,578)</u>
Income tax benefit			102,230
Loss after income tax benefit			<u>(556,348)</u>
Consolidated - 30/06/2020			
Assets			
Segment assets	2,067,396	19,387,013	21,454,409
Unallocated assets			41,137,915
Total assets			<u>62,592,324</u>
Liabilities			
Segment liabilities	296,705	323,079	619,784
Unallocated liabilities			1,571,813
Total liabilities			<u>2,191,597</u>

Revenue by geographical area

	Sales to external customers	
	31/12/2020	31/12/2019
	\$	\$
Australia and New Zealand	5,279,320	3,166,634
United Kingdom	895,978	497,358
United States of America	514,723	374,376
Rest of the world	904,209	-
	<u>7,594,230</u>	<u>4,038,368</u>

Revenue is recognised at the point the services are transferred.

Note 4. Other income

	Consolidated 31/12/2020 \$	Consolidated 31/12/2019 \$
Research and development tax rebate	-	250,000

Note 5. Expenses

	Consolidated 31/12/2020 \$	Consolidated 31/12/2019 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	16,646	16,219
Plant and equipment	180	361
Computer equipment	44,701	10,978
Furniture and fittings	24,122	16,950
Plant and equipment right-of-use assets	91,771	84,846
Total depreciation	177,420	129,354
<i>Amortisation</i>		
Software	808,653	776,430
Intellectual property	153,779	160,485
Total amortisation	962,432	936,915
Total depreciation and amortisation	1,139,852	1,066,269
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	16,008	227,646
Interest and finance charges paid/payable on lease liabilities	25,006	10,144
Finance costs expensed	41,014	237,790
<i>Other expenses</i>		
Deal costs *	831,355	-
Marketing expenses	139,782	-
Others	91,434	46,698
Total other expenses	1,062,571	46,698

* Deal costs primarily relate to professional fees incurred in relation to the acquisition of the Sportech Racing and Digital assets. Refer to notes 7 and 12 for further details.

Note 6. Trade and other receivables

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
<i>Current assets</i>		
Trade receivables	1,154,990	1,232,208
Other receivables	425,026	127,302
Research and development tax receivable	-	584,027
Rental bonds	74,391	56,184
	<u>499,417</u>	<u>767,513</u>
	<u>1,654,407</u>	<u>1,999,721</u>
<i>Non-current assets</i>		
Trade receivables	616,339	67,543
Employee Share Loan receivable	771,664	771,664
	<u>1,388,003</u>	<u>839,207</u>
	<u><u>3,042,410</u></u>	<u><u>2,838,928</u></u>

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.

Allowance for expected credit losses

The group has recognised \$nil (2019: a recovery of \$259,472) in profit or loss in respect of the expected credit losses for the period ended 31 December 2020.

Note 7. Deposit on acquisition

\$11,006,821 relates to the initial payment made by the company to Sportech PLC in relation to the acquisition of the Sportech Racing and Digital assets. This payment was made upon Sportech PLC receiving shareholder approval for the acquisition and is non-refundable.

Refer to note 12 for further details.

Note 8. Property, plant and equipment

	Consolidated 31/12/2020 \$	30/06/2020 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	179,098	166,881
Less: Accumulated depreciation	(135,293)	(118,694)
	<u>43,805</u>	<u>48,187</u>
Plant and equipment - at cost	4,888	4,888
Less: Accumulated depreciation	(3,068)	(2,888)
	<u>1,820</u>	<u>2,000</u>
Computer equipment - at cost	621,000	511,339
Less: Accumulated depreciation	(411,079)	(366,378)
	<u>209,921</u>	<u>144,961</u>
Furniture and fittings - at cost	212,730	161,008
Less: Accumulated depreciation	(144,782)	(120,660)
	<u>67,948</u>	<u>40,348</u>
	<u><u>323,494</u></u>	<u><u>235,496</u></u>

Reconciliations

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

Consolidated	Leasehold improvements \$	Plant and equipment \$	Computer equipment \$	Furniture and fittings \$	Total \$
Balance at 1 July 2020	48,187	2,000	144,961	40,348	235,496
Additions	12,030	-	109,661	50,260	171,951
Exchange differences	234	-	-	1,462	1,696
Depreciation expense	(16,646)	(180)	(44,701)	(24,122)	(85,649)
Balance at 31 December 2020	<u><u>43,805</u></u>	<u><u>1,820</u></u>	<u><u>209,921</u></u>	<u><u>67,948</u></u>	<u><u>323,494</u></u>

Note 9. Right-of-use assets

	Consolidated 31/12/2020 \$	30/06/2020 \$
<i>Non-current assets</i>		
Plant and equipment - right-of-use	746,274	607,101
Less: Accumulated depreciation	(227,091)	(141,546)
	<u><u>519,183</u></u>	<u><u>465,555</u></u>

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. Right-of-use assets (continued)

Reconciliations

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

	Plant and equipment \$
Consolidated	
Balance at 1 July 2020	465,555
Additions	145,399
Depreciation expense	(91,771)
Balance at 31 December 2020	<u>519,183</u>

Note 10. Intangibles

	Consolidated 31/12/2020 \$	Consolidated 30/06/2020 \$
<i>Non-current assets</i>		
Goodwill - at cost	16,257,658	16,257,658
Less: Impairment	(1,802,453)	(1,802,453)
	<u>14,455,205</u>	<u>14,455,205</u>
Intellectual property - at cost	1,510,315	1,510,315
Less: Accumulated amortisation	(1,068,697)	(914,918)
	<u>441,618</u>	<u>595,397</u>
Software - at cost	7,859,859	7,859,859
Less: Accumulated amortisation	(3,647,046)	(2,838,393)
	<u>4,212,813</u>	<u>5,021,466</u>
	<u>19,109,636</u>	<u>20,072,068</u>

Reconciliations

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

	Goodwill \$	Intellectual property \$	Software \$	Total \$
Consolidated				
Balance at 1 July 2020	14,455,205	595,397	5,021,466	20,072,068
Amortisation expense	-	(153,779)	(808,653)	(962,432)
Balance at 31 December 2020	<u>14,455,205</u>	<u>441,618</u>	<u>4,212,813</u>	<u>19,109,636</u>

Note 11. Trade and other payables

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	949,565	620,239
Accrued expenses	874,071	558,712
Goods and services tax ('GST') payable	3,842	65,009
Other payables	217,561	40,091
	<u>2,045,039</u>	<u>1,284,051</u>

Note 12. Issued capital

	Consolidated		
	31/12/2020	30/06/2020	31/12/2020
	Shares	Shares	\$
Ordinary shares - fully paid	601,501,846	568,539,998	85,943,547
Unissued equity	-	-	50,000,000
	<u>601,501,846</u>	<u>568,539,998</u>	<u>135,943,547</u>
			<u>84,943,067</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2020	568,539,998	84,943,067
Shares issued	17 July 2020	1,000,000	\$0.060
Exercise of options	17 July 2020	-	\$0.000
Shares issued	31 August 2020	4,000,000	\$0.122
Exercise of options	31 August 2020	-	\$0.000
Shares issued	4 September 2020	16,667,000	\$0.060
Exercise of options	4 September 2020	-	\$0.000
Shares issued	4 September 2020	854,224	\$0.000
Exercise of options	4 September 2020	-	\$0.000
Shares issued	9 September 2020	8,828,124	\$0.000
Exercise of options	9 September 2020	-	\$0.000
Shares issued	25 September 2020	362,500	\$0.060
Exercise of options	25 September 2020	-	\$0.000
Shares issued	2 November 2020	250,000	\$0.060
Exercise of options	2 November 2020	-	\$0.000
Shares issued	8 December 2020	1,000,000	\$0.060
Exercise of options	8 December 2020	-	\$0.000
Transaction costs		-	\$0.000
Balance	31 December 2020	<u>601,501,846</u>	<u>85,943,547</u>

In December 2020, the company announced the acquisition of the Sportech racing and digital assets. As part of this transaction, the company undertook a placement to institutional and sophisticated investors to raise \$50,000,000 (before costs) via the issue of approximately 83.3 million new fully paid ordinary shares at an offer price of \$0.60. As at 31 December, the company had received the funds in full, but did not issue the corresponding shares until 4 January 2021.

Note 13. Dividends

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

Note 14. Contingent liabilities

As announced on 5 February 2020, the company signed an agreement to deliver and manage fixed odds horse racing into New Jersey along with the exclusive distribution of Monmouth Park racing content throughout other parts of the United States and internationally. The company will pay Monmouth park a fee equal to a percentage of the turnover of approved wagering operators in relation to the distribution of Monmouth data in the US domestic market. The company has guaranteed that a minimum of US\$5.0 million in fees will be paid to Monmouth over the initial 5-year term of the agreement.

On 1 December 2020, the company announced it had entered into binding agreements to acquire Sportech PLC's Racing and Digital assets for GBP 30,900,000. Upon receiving Sportech shareholder approval for the sale, BetMakers made a non-refundable initial payment of GBP 6,180,000. As at 31 December 2020, BetMakers is liable to pay Sportech the residual GBP 24,720,000 upon Completion of the transaction.

Note 15. 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:

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
Current receivables:		
Loan to key management personnel *	360,922	360,922

* 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 2020, \$360,922 (30 June 2020: \$360,922) of share loans related to key management personnel.

Terms and conditions

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

Note 16. Earnings per share

	Consolidated	
	31/12/2020	31/12/2019
	\$	\$
Loss after income tax attributable to the owners of BetMakers Technology Group Ltd	<u>(4,435,045)</u>	<u>(556,348)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>589,333,242</u>	<u>432,988,206</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>589,333,242</u>	<u>432,988,206</u>

Note 16. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.75)	(0.13)
Diluted earnings per share	(0.75)	(0.13)

128,612,500 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 2020. These options could potentially dilute basic earnings per share in the future.

Note 17. 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.

During the period the group has issued 2,050,000 options to employees. The share based payment expense for the period in relation to options is \$433,048.

Performance rights

As part of the commercial agreements that involve the Waterhouse Group providing ongoing services of the Managed Trading Services division and the launch of tomwaterhouse.com betting application, the company agreed to issue performance rights (convertible into options) to Waterhouse VC. On 27 May 2020, upon receiving shareholder approval, the company issued Waterhouse VC 4 performance rights.

The share based payment expense for the performance rights granted during the period was recognised in the profit or loss of \$2,650,113.

For the options and performance rights 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
02/11/2020	30/09/2023	\$0.410	\$0.450	80.00%	-	0.11%	\$0.198
02/11/2020	30/09/2023	\$0.410	\$0.500	80.00%	-	0.11%	\$0.187
08/12/2020	31/10/2023	\$0.635	\$0.500	80.00%	-	0.10%	\$0.362

Note 18. Events after the reporting period

On 5 January 2021, the company opened a non-underwritten \$10,000,000 Share Purchase Plan ("SPP") at an issue price of \$0.60 per share. The offer closed on 15 January 2021 and was oversubscribed. The funds will be applied toward the company's acquisition of the Sportech Racing and Digital assets and for general working capital.

On 17 February 2021, the company announced that it had entered into an exclusive agreement with Mr Matt Tripp to become a strategic advisor. In addition to this, Mr Tripp also agreed to subscribe for \$25,000,000 of new ordinary shares in the company at an issue price of \$0.70 per share. The company also received firm commitments of \$50,000,000 from several existing shareholders, also at an issue price of \$0.70 per ordinary share.

The COVID-19 pandemic has had minimal financial impact on the group up to 31 December 2020. Staff adapted well to alternate working arrangements when required, and despite ongoing challenges, sport and racing has continued to operate globally during the period globally. This has meant that the group had a continued role to play in delivering its services to wagering operators. BetMakers' clients have also continued to operate throughout the period, and as such, BetMakers has seen no noticeable impact on the recoverability of receivables as a result of COVID-19.

No other matter or circumstance has arisen since 31 December 2020 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 2020 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'.

Nicholas Chan
Chairman

26 February 2021
Newcastle

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

Todd Buckingham
Director

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Betmakers Technology Group Limited (the "consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2020, 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.

Conclusion

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 2020, 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 2020 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



PAUL PEARMAN
PARTNER

26 FEBRUARY 2021
NEWCASTLE, NSW