

Q1 FY22 Quarterly Activities Report for the period ending 30 September 2021

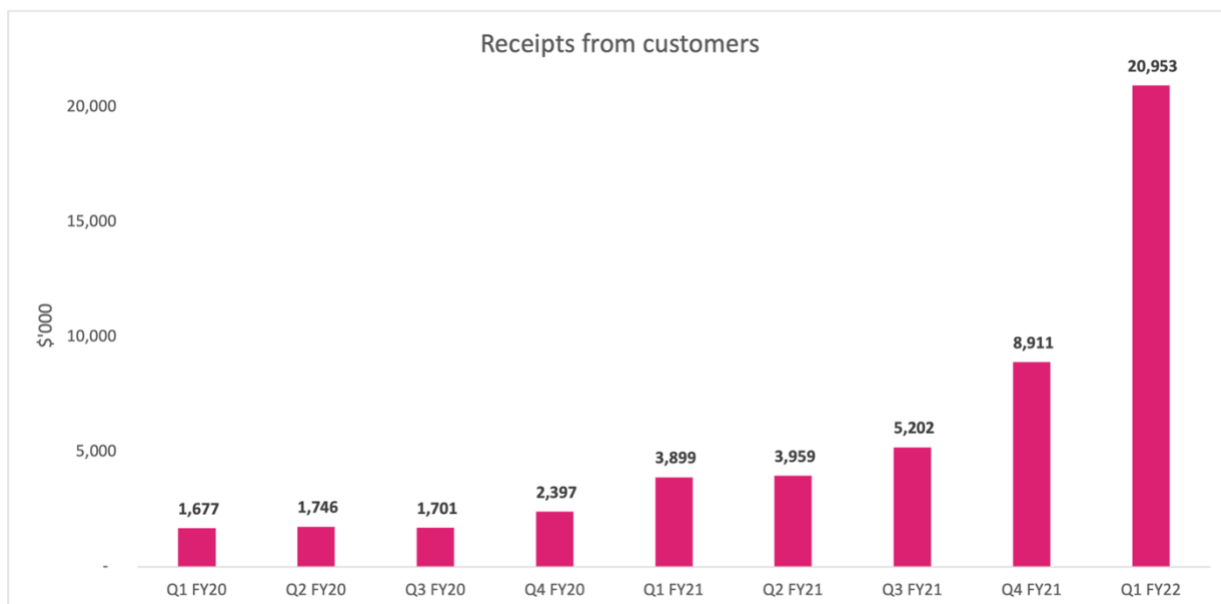
\$21.0 MILLION IN CASH RECEIPTS - UP 135% ON PREVIOUS QUARTER

Quarterly highlights

- **\$21.0mil in cash receipts from customers in Q1 FY22**
- **+135% increase versus Q4 FY21 (QoQ)**
- **+437% increase versus Q1 FY21 (corresponding prior year period)**
- **New betting terminals developed to digitalise and enhance US racing experience**
- **Innovation partnership with EML (ASX:EML) delivers launch of B2B Bookies Card**
- **Global Racing Network expanded with UK and Irish horseracing partnership**
- **Kentucky Downs partnership validates global model with integration across Europe, South America, Turkey and Australia**
- **New Jersey Fixed Odds Bill signed into law by NJ Governor**

The Board of BetMakers Technology Group Ltd (ASX:BET) (“BetMakers” or the “Company”) is pleased to release its Quarterly Cash Flow Statement and Quarterly Activities Report for Q1 FY22, the quarter ending 30 September 2021.

The integration of the Global Tote assets and the continued growth of the existing operations has delivered a step-change in the Q1 FY22 performance. The Company recorded its strongest quarter to date with \$21.0mil in cash receipts from customers in Q1 FY22. This was up from \$8.9mil (+135%) on the previous quarter (Q4 FY21) and is a +437% increase compared with Q1 FY21. A summary of the Company’s historic quarterly performance is tabled below:





During Q1 FY22 the Company saw significant growth in its Australian platform and Managed Trading Services operations (within the Global Betting Services business segment). This growth is expected to continue during the remainder of FY22 as the Company delivers on its expanded customer pipeline now under contract.

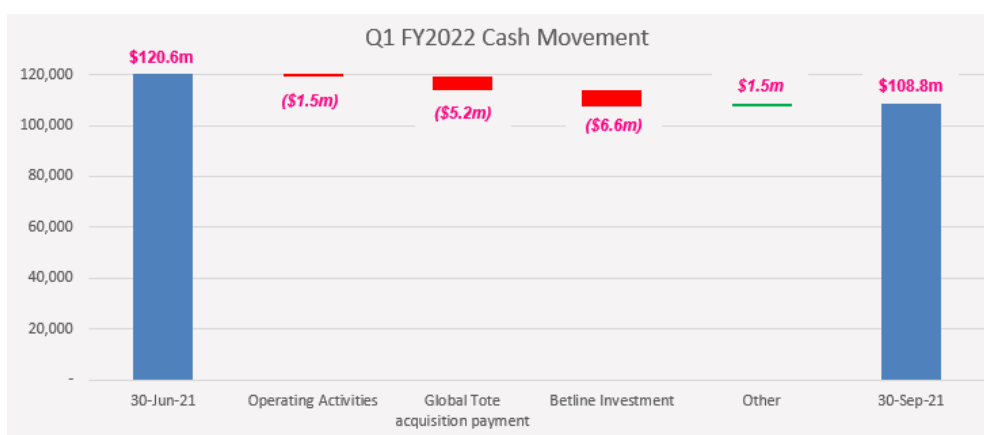
The Company announced the completion of the Sportech PLC ("Sportech") asset acquisition on the 18 June 2021 (Q1 FY22 reflects a full quarter of ownership). These assets contribute to the Company's Global Tote and Global Betting Services operating segments and are performing in line with expectations.

BetMakers intends to continue its strategic investments in B2B wagering technology products and data platforms. This is anticipated to include software and hardware wagering products as well as content acquisition for its Global Racing Network and Global Tote expansion.

During the quarter the Company invested approximately \$6.6mil in relation to design and construction of the bespoke Betline self-service betting terminal range and the development of associated software to elevate the user experience and enhance operational efficiency for clients. As part of its US strategy, the Company is committed to investing in the digitalisation and development of the US Racing market. BetMakers, working in conjunction with Australian terminal specialist Neo Self Service Solutions, has developed a range of terminal hardware for use on track and in venue in the US.

Following completion of the Sportech racing, tote and digital assets acquisition, customary balance sheet settlement payments (net debt / net working capital) of ~\$5m were made to Sportech.

The net cash position remains strong with ~\$109.0mil in cash as at 30 September 2021.



BetMakers Chief Executive Officer, Todd Buckingham said:

"The past quarter is a very pleasing result for the Company. We have seen an impressive uplift on our strong base of domestic operations while also capturing growth in global markets that were identified by the Company as opportunities for us to expand our B2B wagering technology products and services globally."



“BetMakers has a very clear strategy for growth in Australia and the United States, and is investing in the US opportunity, which we believe has the potential to be significant. Our rollout for Fixed Odds in the US, starting in New Jersey, progressed during Q4 FY21 after being passed unanimously by the Senate and General Assembly, and signed into law by the Governor of New Jersey. Everything is on track and we are excited about the journey ahead.”

“The Company is now seeing the benefit of its acquisition of Sportech’s racing, tote and digital assets. This material acquisition is a cornerstone of our future plans, and we are delighted to have welcomed staff within these businesses into the BetMakers’ team.”

“With a clear strategy, focused management, highly-skilled global staff and the opening up of sizeable opportunities across the world’s wagering markets, we believe BetMakers is well placed to build upon the foundations it has now established.”

Q1 FY22 HIGHLIGHTS INCLUDE:

Fixed Odds Bill signed into law

BetMakers announced to the market on 6 August 2021 that a Bill to “authorise fixed odds wagering on horse races through fixed odds wagering system” was signed by the Governor of New Jersey to become law.

As previously announced to the market, BetMakers has secured an exclusive 10-year agreement with New Jersey Thoroughbred Horsemen Association and Darby Development LLC., the operator of Monmouth Park racetrack, to deliver and manage Fixed Odds thoroughbred horse racing into New Jersey. Please see the Company’s announcements dated 5 February 2020, 3 July 2020, 21 May 2021 and 22 June 2021 for further information regarding this agreement.

Expansion of the Global Racing Network

The Company announced to the market on 7 July 2021 that it had signed a multi-year live streaming agreement with Sports Information Services Limited and Racecourse Media Group for the distribution of live horseracing vision and wagering content from Britain and Ireland to approved corporate bookmakers in Australia.

Further validation of the Global Racing Network model has been seen in the Company’s commercial partnership with US racetrack Kentucky Downs. Since integrating Kentucky Downs into BetMakers’ Global Racing Network the parties have seen a successful monetisation of that track’s racing content into expanded markets of Europe, South America, Turkey and Australia through both Global Tote and Fixed Odds models.

Investment and innovation in wagering technology and products

As part of the Company’s US racing strategy, the Betline hardware range was developed with fellow Australian company Neo Self Service Solutions.

Betline is Global Tote’s new line of betting terminals designed to elevate the user experience and enhance operational efficiency. The new hardware range will utilise BetMakers’ Next Generation UI and offer users an easy-to-use experience across tote, fixed odds, racing and sport.



BetMakers Chief Executive Officer, Todd Buckingham said:

“We are really excited about the launch of our new Betline terminal series and believe it will be a positive advancement for all our US clients and for the US racing industry.”



The Company has also partnered with EML Payments Limited (“EML”) (ASX:EML) to launch the Bookies Card (“Bookies Card”), an innovative B2B Mastercard for the global wagering industry.

The Bookies Card is a prepaid reloadable Mastercard that allows cardholders to transfer money between their bookmaker accounts via the www.bookiescard.com website and withdraw funds by using the card at any ATM.



BetMakers Chief Executive Officer, Todd Buckingham said:

“We are very pleased to see the BetMakers’ Bookies Card ready for launch, having developed the card as a B2B innovation in partnership with EML.

“We are always looking for ways to help our partners in every way possible, whether that’s reducing resource cost, improving margins or acquiring clients.

“The Bookies Card website will feature functionality for users to sign up to accounts for all participating bookmakers from one site as well as pay for betting products to assist them with their betting.”



The Company paid Directors \$455,000 for services during Q1 FY22. This included payment to the Chief Executive Officer for employment services as CEO. The Company also paid \$377,000 to an associated party of one of the directors for reimbursement of reasonable out-of-pocket expenses in dealing with the Company's business.

Staff costs for the quarter include FY21 short term incentive payment of approximately \$600,000 to staff for the period ending 30 June 2021.

The Appendix 4C for the quarter ending 30 September 2021 is attached to this announcement.

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Todd Buckingham, Managing Director of BetMakers, authorised the release of this announcement to ASX.

Disclaimer

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BetMakers Technology Group Limited

ABN

21 164 521 395

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	20,953	20,953
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,091)	(6,091)
(c) advertising and marketing	(199)	(199)
(d) leased assets	(365)	(365)
(e) staff costs	(10,745)	(10,745)
(f) administration and corporate costs	(4,315)	(4,315)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	11	11
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(743)	(743)
1.9 Net cash from / (used in) operating activities	(1,494)	(1,494)

1.8 Relates to funds paid in relation to regulatory licenses, and isolated advisor fees that are not expected to be ongoing in nature.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(5,207)	(5,207)
(c) property, plant and equipment	(6,589)	(6,589)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	796	796
2.6 Net cash from / (used in) investing activities	(11,000)	(11,000)

2.1 (b) Relates to funds paid to Sportech PLC in relation to the acquisition of the digital and tote assets (customary balance sheet and working capital settlements)

2.1 (c) Relates to funds paid in relation to the development and construction of the new Bet Line betting terminal hardware (for initial use in the US).

2.5 Represents the quarterly movement in restricted cash held by Sportech US operations on behalf of customers. The restricted cash balance is subject to variance as funds are collected and distributed to customers.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	576	576
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(273)	(273)
3.10	Net cash from / (used in) financing activities	303	303

3.9 Other relates to payments made to establish a Managed Trading Services ("MTS") trading float. Contributions made are repayable upon the termination of the MTS arrangement.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	120,611	120,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,494)	(1,494)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11,000)	(11,000)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	303	303
4.5	Effect of movement in exchange rates on cash held	366	366
4.6	Cash and cash equivalents at end of period	108,786	108,786

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	108,786	120,611
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	108,786	120,611

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	832
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,494)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	108,786
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	108,786
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	73

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

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

Answer: n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2021.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.