



AGM INVESTOR UPDATE

November 2021

BetMakers Technology Group | ASX: BET

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DISCLAIMER

This shareholder update is dated 22 November 2021.

The material contained in this document is a presentation of general information about the activities of BetMakers Technology Group Limited (the Company or BET) as at the date of this update.

The document is not a prospectus, product disclosure statement or other offer document under Australian law or any other law. The information is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs and does not include all information which an investor may require to assess the performance, risks, prospects or financial position of the Company. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the Company, including any of its related bodies corporate.

This update 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. The forward-looking statements contained within the update 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 the 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; conduct of contracted counter parties; whether 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 the information contained in this update, including any forward-looking statement. The Company disclaims any responsibility to update or revise any information in this update, including 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 data 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.

POST RESULTS KEY EVENTS

SEPTEMBER QUARTERLY RESULTS

- \$21mil in cash receipts for September quarter
- September Quarterly unaudited revenues exceed FY21 Revenues
- 135% increase from previous quarter
- Investment in development of new betting terminals to enhance US racing customer experience
- Innovative partnership with EML to produce 'Bookies Card'
- Fixed Odds bill progressed through Legislation and Regulatory process. Awaiting license approvals before commencing

COMMERCIAL DEALS

- Signed 3 year deal with RWWA, Western Australian TAB for Fixed Odds services
- Successful global roll out for 'Kentucky Downs' carnival
- Signed distribution deal with UK Racing body RMG to Australian operators
- A further 6 operators signed for full service solution within the Australian market
- Global Tote winning tender for tote partner to Veikkaus (Finland)

FY 21 FINANCIAL OVERVIEW

BetMakers continues to have a strong balance sheet and is set up to support continued investment in growth.

FY2021 Revenue - \$19.5m (+127% vs FY2020)

- Expansion across domestic platform and Managed Trading Services (MTS) clients.
- Growth of international distribution content offering reaches over 50,000 each year.
- FY21 Results include two weeks of Racing & Digital assets (acquired from Sportech PLC).

FY2021 Gross Profit - \$10.2m (+61% vs FY2020)

FY2021 adjusted EBITDA ¹ - negative \$2.9m

- Investment in additional resources and infrastructure ahead of the curve, supporting international expansion.
- More than \$2.4m invested in US operations during FY2021 (OPEX only).

30 June 2021 Cash Balance - \$120.6m

FY22 Update

- **July annualised revenue run rate in excess of \$70mil/year**
- Note: calculated by multiplying July revenue x 12

	H1 FY2019	H2 FY2019	H1 FY2020	H2 FY2020	H1 FY2021	H2 FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,780	3,379	4,038	4,543	7,594	11,864
- growth		21.5%	19.5%	12.5%	67.2%	56.2%
Gross Profit	1,330	2,039	3,596	2,737	4,002	6,202
- margin	47.8%	60.3%	89.1%	60.2%	52.7%	52.3%
Loss After Income Tax	(1,786)	(1,818)	(556)	(1,584)	(4,435)	(13,024)
EBITDA	(2,185)	(590)	644	(437)	(4,761)	(13,382)
- margin	-78.6%	-17.5%	16.0%	-9.6%	-62.7%	-112.8%
Adjusted EBITDA ¹	(1,945)	(136)	574	259	(847)	(2,035)
- margin	-70.0%	-4.0%	14.2%	5.7%	-11.1%	-17.2%
Closing cash balance	301	453	2,699	31,625	68,637	120,608
Financial liabilities	(15,000)	(10,000)	(4,000)	-	-	-

Note: Results include 14 days of the Racing and Digital assets acquired from Sportech PLC (completed 18 June 2021)

¹ : Adjusted EBITDA excludes impairment/recovery of receivables, share-based payments expense, and Sportech related deal costs

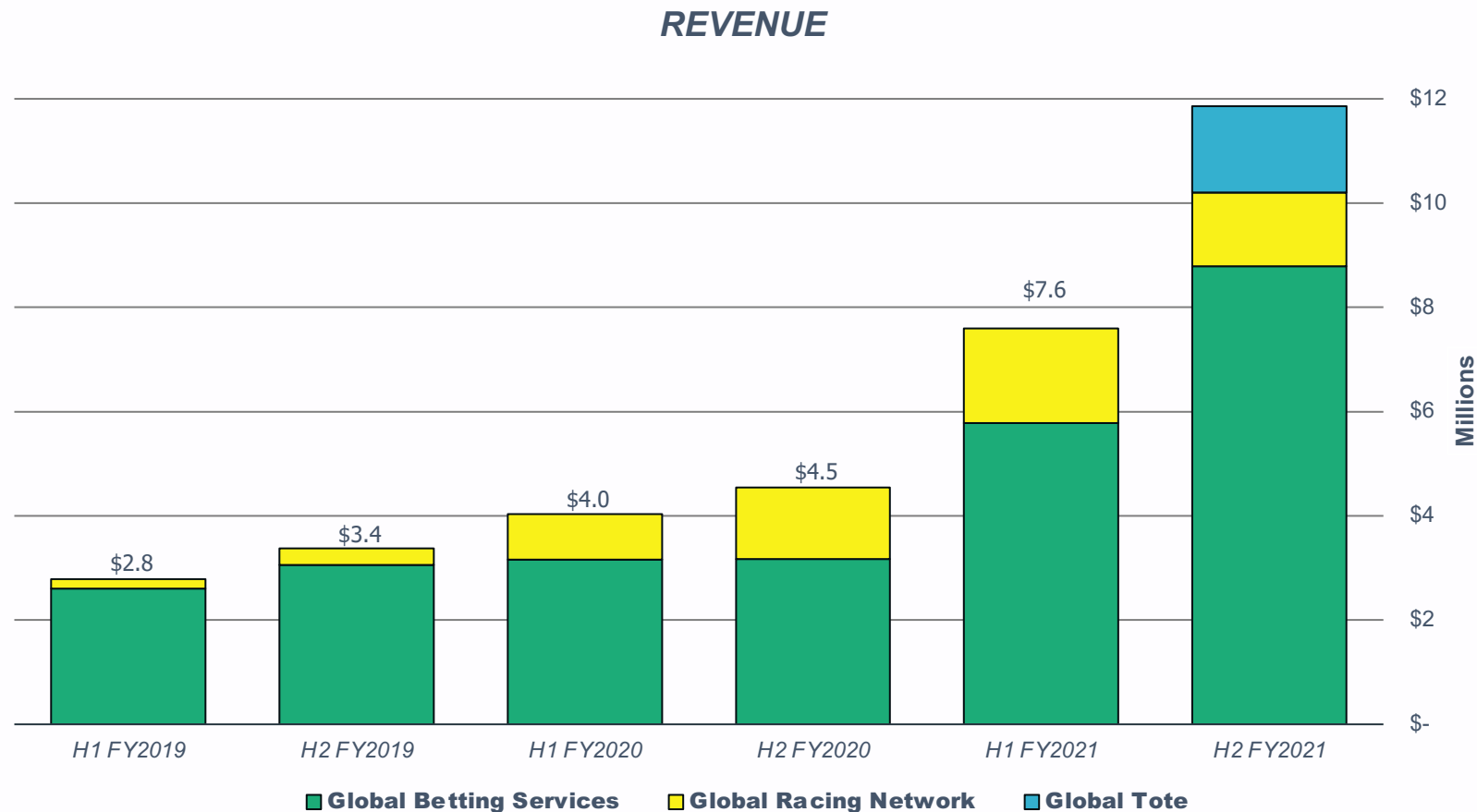
REVENUE OVERVIEW

BetMakers' domestic business continues to deliver strong growth in FY21. This growth, along with the transformational acquisition of Sportech's Racing and Digital assets, is expected to deliver a step-change in revenue in FY22.

FY2021 Revenue - \$19.5m (+127% vs FY2020)

Key revenue drivers include:

- Expansion of Platform and MTS Services clients.
- Expansion of international content offering.
- Integration of Sportech's Racing and Digital assets delivered c.\$2m in revenue in the first 14 days after completion.



FY21 HIGHLIGHTS

In FY21, Global Betting Services delivered material revenue growth through the acquisition of new customers and expansion of products.

**GLOBAL BETTING
SERVICES**///™

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**AUSTRALIAN
PLATFORM CUSTOMERS**

23

**US ADW
PLATFORM CUSTOMERS**

\$1b+

**ANNUALISED TURNOVER BY
BETMAKERS' AUSTRALIAN
PLATFORM CUSTOMERS***

**\$14.6m
revenue**

+130% vs FY20

\$400m+

**ANNUALISED TURNOVER BY
BETMAKERS' US ONLINE WAGERING
PLATFORM CUSTOMERS***

FY21 HIGHLIGHTS

Global Tote is well positioned to become the hub of pari-mutuel wagering globally.

**GLOBAL
TOTE** 

130+

**HOSTING AND SERVICES
CONTRACTS**

145+

**POOLING AND
CO-MINGLING CONTRACTS**

300+

**GLOBAL RACING
PARTNERS**

***\$1.7m
revenue***

**in first 14 days
post acquisition**

29k

**BETTING TERMINALS
GLOBALLY**

FY21 HIGHLIGHTS

In FY21, Global Racing Network experienced significant growth through the expansion of its content and distribution network.

**GLOBAL RACING
NETWORK** 

36

**COUNTRIES CONNECTED
TO THE GRN**

\$6.7m

**GENERATED IN REVENUE
FOR RIGHTS HOLDERS**

**\$3.2m
revenue**

+44% vs FY20

300k+

**RACES COVERED
IN FY21**

10_{YR}

**EXCLUSIVE AGREEMENT TO
MANAGE FIXED ODDS IN
NEW JERSEY***

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS



Identifying and mitigating business risks that may affect our strategy and financial performance is an essential part of our governance framework. This section outlines some of the key risks identified by the Company. They are not listed in order of importance or likelihood to materialise.

COVID-19

BET is constantly monitoring the actual and potential impact of COVID-19 on its business, the broader economy and the jurisdictions in which BET and its customers operate. While BET has not been materially impacted by COVID-19 to date, given the uncertainty surrounding the extent and duration of government and regulatory responses to the pandemic across the world, it is not possible to assess the full impact of COVID-19 on BET's business, its customers' businesses or the global economy generally.

LICENSING AND REGULATORY

BET operates in heavily regulated industries and jurisdictions. Accordingly, BET is exposed to a range of risks relating to compliance with, changes to, or uncertainty in, the relevant legal and regulatory regimes in those jurisdictions including in relation to regulation of gambling, regulation of financial transactions, privacy and data protection laws and anti-money laundering and counter terrorism financing laws.

Changes to laws and regulations that apply to BET in any of the jurisdictions in which BET operate may have a material adverse effect on BET's business, financial position and prospects, as well as reduce demand for BET's services. Further, regulatory requirements in any of the jurisdictions in which BET operates may become more burdensome in the future, which may result in BET being required to dedicate more time, resources and expenditure to achieve compliance.

LICENSING AND REGULATORY (CONTINUED)

If BET's operations are found not to satisfy or to violate any applicable laws or regulations, BET may be subject to licence suspension or cancellation or other penalties including damages, fines, disruption to its operations and increased compliance costs. The reputation of BET may also be adversely affected. Any penalties, damages, fines, operational disruptions, increased compliance costs or damage to reputation, individually or together, could adversely affect BET's ability to operate its business, and its financial position and results.

REGULATORY

The Company (or its subsidiaries) enter into contracts with customers for the provision of the products or services offered by the Company. These customer contracts may require the approval or consent of one or more Australian or foreign governments, gambling regulators or other regulators as a condition for the customer to use, access or comply with the contract in relation to, the products or services offered by the Company. There is a risk that such governments, gambling regulators or other regulators may not grant such approval or consent. In such circumstances, these customer contracts may not be able to be complied with by either the Company or the customer.

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS (CONTINUED)



REGULATORY (CONTINUED)

Any non-compliance by the Company's customers with the relevant laws, regulations or terms of any applicable gaming licences, permits or approvals may result in the customer becoming unable to comply with its contractual obligations to the Company, which may have a material adverse impact on the financial performance of the Company and/or the Share price and may affect security holders' investments in the Company.

There are a number of licence conditions which apply to 'Totalisator' licences (and associated racing body and jurisdiction approvals). These licence conditions and approvals include for example, compliance with Know Your Customer "KYC" requirements, turnover reporting, payment of fees and the requirement to notify and seek prior written approval from the relevant authority in respect of certain matters. Certain of the Company's subsidiaries, including The Global Tote Limited and Global Tote US, LLC (the **Licence Holders**), hold regulatory licenses. If the Licence Holders fail to meet the licence conditions or are found to be in breach of any of the licence conditions, there is a risk that the licences will be suspended or revoked/cancelled which will have a material adverse impact on the Company's ability to provide its products and services.

TECHNOLOGY AND SOFTWARE

The Company's business is based largely on the software, source code, technology and computer programs which comprise of its online wagering platforms. As with all information technology and software products, there is a risk that this technology and/or software may be superseded or displaced in the market by new technology offerings or software which customers perceive have advantages over the Company's offerings.

COMPUTER SYSTEMS

The Company's products and services rely on the constant real-time performance, reliability and availability of its technology systems, including real-time access to various third party data feeds. The Company by necessity, places and will continue to place, significant reliance on its computer systems and related infrastructure for ongoing operations.

Whilst the Company believes it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its endeavours can be affected by force majeure circumstances, data losses, computer system faults, failure of or suspension from key data feeds, internet and telecommunications or data network failures and external malicious interventions such as cyber or denial-of-service attacks, market access constraints, cost overruns, the performance of associated parties or unforeseen claims and events. Computer viruses, fire and other natural disasters, break ins, or a failure of power supply, information systems, hardware, software or telecommunications systems or other catastrophic events could expose the Company to short, medium or long term interruptions, delays or cessation in service to the Company's clients.

If these events were to occur, the Company may be unable to operate its business, potentially putting the Company in breach of its contractual obligations, damaging its reputation and adversely affecting its ability to generate revenue.

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS (CONTINUED)



INTELLECTUAL PROPERTY AND OBLIGATIONS

While the Company has implemented measures to protect its intellectual property and know-how, there is a risk that the Company's failure or inability to protect its intellectual property rights may have a significant adverse effect on the Company's operations, financial performance and competitive advantage.

Further, there is a risk that the Company's operations, products, services or platforms may infringe the intellectual property rights of third parties. In the event that any claim or litigation is brought against the Company which alleges that the Company has infringed another party's intellectual property rights, this could result in the Company being subject to significant liability for damages (among other consequences, such as losing the right to use the intellectual property). This may have an adverse effect on the Company's financial performance and its ability to conduct its business operations.

COMPETITION

The internet and other forms of distribution have enabled, and will continue to enable, competitors to enter the Company's various markets. There is a risk that the Company's current technology systems may be unable to respond to or compete with competitors' disruptive technology and/or digital advances. There is a risk that competitors with substantially greater resources, or disruptive technologies, could launch competing products to those offered by the Group and take market share away from the Group.

SECURITY SOFTWARE AND TECHNOLOGY BREACHES AND IMPROPER ACCESS TO PERSONAL DATA

The use of information technology and effectiveness of the Company's platform are critical to the ability of the Company to deliver services to its customers and the growth of its business. By their nature, information technology systems are susceptible to cyber attacks with third parties seeking unauthorised access to data. Security breaches may involve unauthorised access to the Company's networks, systems and databases and the deployment of viruses or other malicious software designed to create system and service disruptions, exposing financial, proprietary and personal information.

In addition, in providing services to its customers, the Company stores, analyses and transmits confidential and personal information. It is possible that the measures taken by the Company to protect its proprietary information and any personal information are not sufficient to prevent unauthorised access to, or disclosure of, such data.

Any accidental or deliberate security breach or other unauthorised access to the Company's information technology systems or customer data may subject the Company to reputational damage, a loss of confidence in the services it provides, claims by customers, loss of customers, reputation, business, financial condition and financial performance.

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS (CONTINUED)



SECURITY SOFTWARE AND TECHNOLOGY BREACHES AND IMPROPER ACCESS TO PERSONAL DATA (CONTINUED)

Further, some of the Company's third party suppliers may receive and store information provided by Company or its customers through web applications. Although any such information is limited and subject to confidentiality obligations, if these third party suppliers fail to adopt or adhere to robust security practices, or in the event of a breach of their security systems, any such information may be improperly accessed, used or disclosed.

THE GROUP RELIES ON ITS AGREEMENTS WITH SPORTS AND RACING CONTROLLING BODIES

The Group has in place various approvals and authorities granted by racing controlling bodies which permits the Group to publish and/or use the relevant race fields information associated with those racing controlling bodies in return for the payment of a race field fee. Under these approvals/authorities, the Group is required to comply with certain applicable terms and conditions, as well as the relevant provisions, rules and regulations relating to racing, provided under the relevant State/Territory laws. Under these approvals/authorities and State/Territory legislation, the racing controlling bodies have the discretion to determine the types of bets the Group is permitted to take. A removal of one or more of these bet types may materially adversely affect the Group's business operations and financial position.

RACING AND SPORTS PRODUCTS

The Company's business is reliant on the various state and international racing and sporting controlling bodies providing a regular program of events for the purposes of wagering. A significant reduction in the number of race meetings or sporting fixtures, or the occurrence of an event which impacts adversely on the Australian racing industry or the relevant sport, or which otherwise disrupts the scheduled racing or sporting program, may have an adverse effect on the operational and financial performance of the Company.

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

Under the Company's licenses, the Company is required to comply with a number of obligations under the AML/CTF Act including, for example, requirements to:

- develop and implement an AML/CTF program;
- conduct customer due diligence and customer identification and verification procedures; and
- report suspect matters and transactions to the Australian regulator, AUSTRAC.

Failure to adequately monitor and mitigate against money laundering and other fraudulent activities (e.g. the use of the proceeds of crime in wagering activities) or the failure by the Company to comply with its obligations under the AML/CTF Act may result in civil or criminal liability for the Company.

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS (CONTINUED)



GROWTH AND STRATEGIC

The Company's growth strategy includes increasing and expediting its investment in its wholesale business and to significantly grow its presence as a wholesale wagering software service provider in the overseas markets in which it already operates and extend its operations to new overseas markets. This includes developing, commercialising and maintaining relationships with key partners such as Principal Racing Authorities, rights holders and horsemen associations which authorize the use and distribute data and vision. The Company's growth plans may be inhibited by unforeseen issues particular to a territory, including differences in local cultures, business practices and regulations. The Company's ability to grow and expand its operations may be subject to various risks, including but not limited to the need to invest significant resources and management attention to the Company's proposed expansion and the possibility that the desired level of return on its international business will not be achieved. Failure to successfully grow and expand the Company's wholesale and international businesses may result in a failure to achieve the revenue growth that underpins the future financial performance of the Company.

The growth strategy of the Company also involves the pursuit of both organic growth and growth by acquisitions. In relation to the latter, there is a risk that acquisitions will encounter unforeseen integration issues. Further to this, the Company intends to exploit perceived synergies from integrating an acquired business into the broader corporate group. There is a risk that such synergies do not eventuate or are less pronounced than first envisioned. In either case, the Company's growth prospects may be negatively impacted.

GROWTH AND STRATEGIC (CONTINUED)

In addition, in relation to the acquisitive growth that the Company is seeking, there is a risk that the Company is either unable to find potential and suitable acquisition targets, is unable to agree to terms of sale with any acquisition targets, or agrees to terms that are less favourable than it initially anticipated. All of these risks may negatively affect the Company's growth prospects. The Company's growth strategy depends upon its ability to continue to maintain and grow generic earnings as well as to identify and make suitable acquisitions that will grow revenue and profit. There is a risk that the Company may not be able to successfully integrate the acquisition target into the combined business or extract other operating efficiencies from the integration of the functions of each business.

There is a risk that the Company will be unable to achieve sufficient scale in the commercialisation of its products and services, which could potentially result in reduced or negative growth or unprofitability.

LITIGATION

In the ordinary course of business, the Company is subject to the risk of litigation and other disputes with its employees, clients, suppliers and other third parties. Irrespective of the outcome of such disputes, litigation proceedings or other disputes may adversely affect the Company's financial or operational performance and/or the Share price and may affect security holders' investments in the Company.



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