

31 January 2022

WATERHOUSE PRODUCTS CONTRIBUTE MORE THAN \$8MIL IN REVENUE IN H1 FY22

Highlights

- Revenues received by the Company during the Class B Performance Right vesting period exceeded \$8.2M across the Waterhouse products
- The two products, built and operated with the support of the Waterhouse Group, have helped establish BetMakers as one of the leading B2B technology providers for the racing industry.

BetMakers Technology Group Limited (ASX:BET) (**BetMakers** or the **Company**) is pleased to announce that the Company has recorded additional relevant revenues of \$8,255,234.52 under the commercial agreements (**Commercial Agreements**) with the Waterhouse Group¹ from 1 July 2021 to 31 December 2021 (**Vesting Period**).²

Todd Buckingham, CEO of BetMakers, commented:

'We have previously flagged to the market that we are delighted with the performance of these products and the revenue result for the past six months is certainly evidence of this.'

'This deal is obviously a great result for our partners but also a fantastic result for BetMakers to now have a product fully operational in the market that, while this revenue result is great, is really only in the early stages of rolling out globally.'

'We are proud to be able to execute on a strategy as successfully as this and as a business, BetMakers is set to benefit from this deal significantly in the years ahead.'

Tom Waterhouse, CEO of Waterhouse VC, commented:

'We are delighted with the performance of the products in the market, and in particular the Managed Trading Services product, which has exceeded even our expectations.'

'BetMakers has taken this concept and turned it into a product, taken it to market and delivered incredible results in a very short space of time, proving they are a market leader in B2B wagering globally.'

¹ The 'Waterhouse Group' comprises Tom Waterhouse Punting Pty Ltd, Waterhouse VC Pty Ltd and Tarpin Finance Pty Ltd.

² For further information, please refer to the announcements released on 28 January 2020, 2 April 2020, 27 May 2020 and 16 July 2021, and the notice of general meeting dated 17 April 2020.



'We are delighted to be a major investor in BetMakers and will continue to support the Company as a key pillar of our VC Fund.'

With the acceleration of these high performing products, the Company expects the final performance payments of ~14mil options to be achieved in H2 FY22. This would finalise all equity-based payments to the Waterhouse Group relating to these core products.

As a result of the current period, the Class B Performance Right issued to Waterhouse VC Pty Ltd (**Waterhouse VC**) vested and was converted into 45,862,414 options (**Options**) exercisable into ordinary shares in the Company (**Shares**) each with an exercise price of \$0.18 and an expiry date of 28 January 2024. Waterhouse VC has elected to exercise the 45,862,414 Options and, accordingly, the Company has issued 45,862,414 Shares for a total aggregate exercise price of \$8,255,234.52. A cleansing statement in respect of the Shares is set out below and an Appendix 2A in relation to the quotation of Shares will be lodged separately today.

As announced by the Company on 16 July 2021, the Class A Performance right issued to Waterhouse VC vested and was converted into 34,564,921 options, which were exercised into 34,564,921 ordinary Shares of the Company. Under the Commercial Agreements, the maximum number of options which may be issued to Waterhouse VC, on conversion of all Performance Rights is 94,741,686. After conversion of the Class A and Class B Performance Rights, there are 14,314,351 remaining options (**Remaining Options**) available to be earned under the Commercial Agreements. Due to the success of the partnership with the Waterhouse Group, it is expected that the revenue to be generated during the 6-month period to 30 June 2022 will see the Class C Performance Right vest and convert into the Remaining Options, which would also see the Class D Performance Right lapse. There will be no further options issued under the Commercial Agreements after the Remaining Options are issued.

As announced to the market on 28 January 2020, BetMakers agreed to terms to provide technology, data and services in conjunction with the Waterhouse Group for:

- **tomwaterhouse.com betting application** to be offered to the tomwaterhouse.com 80,000 members and designed for dual purposes of offering punters access to Australian bookmakers, delivering the best price(s) in the Australian wagering market from the one application, while at the same time providing wagering operators with a low-cost customer acquisition platform.
- **Waterhouse global pricing and trading desk – a B2B Managed Trading Services (“MTS”)** solution for wagering operators that are looking to outsource their trading operations. It intends to allow any wagering operator to have an outsourced Waterhouse team, powered by BetMakers technology, manage day-to-day bookmaking across hundreds of races with a solution aimed to reduce costs for the operators with minimal risk. The Waterhouse Group can provide ‘Pricing and Trading’ services along with ‘Minimum Guaranteed Returns’ to wagering operators that use the B2B service.



As set out in BetMakers' notice of general meeting dated 17 April 2020, the Company's auditor reviewed the revenue received in connection with the Commercial Agreements over the Vesting Period and produced an audit opinion confirming the amount. Accordingly, the audit opinion from PKF is attached to this announcement.

Issue of performance rights under LTIP

The Company also advises that it has issued 12,050,000 unquoted performance rights, convertible into Shares subject to vesting conditions, (**Performance Rights**) under the Company's long term incentive plan (**LTIP**) to various employees of the Company associated with the US expansion. The Company believes these Performance Rights will sufficiently incentivize key staff in the US to execute on the strategy that has been established throughout the North American market.

The material terms of the Performance Rights are as follows:

- the Performance Rights were issued under the LTIP;
- the Performance Rights will vest on achievement of certain performance and time-based hurdles; and
- 2,000,000 Performance Rights will expire on 31 January 2024 and 10,050,000 Performance Rights will expire on 30 June 2025.

An Appendix 3G in respect of the issue of the Performance Rights will be lodged separately today.

For further information please contact

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

Cleansing Statement

The Company hereby notifies ASX under section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Act**) that:

- (a) the Company completed the issue and allotment of 45,862,414 Shares;
- (b) the Company issued the Shares without disclosure under Part 6D.2 of the Act;
- (c) the Company provides this notice under section 708A(5)(e) of the Act;
- (d) as at the date of this notice:
 - (i) the Company has complied with the provisions of Chapter 2M and section 674 of the Act as they apply to the Company; and



- (ii) other than as set out in this announcement, there is no information that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Shares.

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BETMAKERS TECHNOLOGY GROUP LIMITED

Report on the Statement of Revenues

We have reviewed the attached Statement for the Tom Waterhouse App clients, Managed Trade Services clients and Rob Waterhouse Managed Trade Services for the period ended 31 December 2021.

The Statement has been prepared by Betmakers Technology Group Limited, to confirm the revenues recorded in regards to the Class B vesting period ended 31 December 2021.

Directors' Responsibility for the Statement

The directors' of the Company are responsible for the preparation of Statement and has determined that the methodology used is appropriate to the needs of the users. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Statement based on our review. We conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to state whether anything has come to our attention that causes us to believe that the Statement is not prepared, in all material respects, in accordance with the accounting policies used. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the users.

ASRE 2405 requires us to comply with the requirements of applicable code of professional conduct of a professional accounting body.

A review 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 would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statement for the Tom Waterhouse App clients, Managed Trade Services clients and Rob Waterhouse Managed Trade Services for the Period Ended 31 December 2021 is not prepared, in all material respects, in accordance with the accounting policies used.



PKF



PAUL PEARMAN
PARTNER

20 JANUARY 2022
SYDNEY, NSW