



FY22 Half Year Results February 2022

BetMakers Technology Group | ASX: BET

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This shareholder update is dated 28 February 2022.

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H1 FY22 HIGHLIGHTS

GROUP PERFORMANCE

- Revenue of \$43.5m (+473% vs H1 FY21)
- Gross profit of \$32.0m (+700% vs H1 FY21)
- Gross margin increased to 73.6% from 52.7% in H1 FY21
- Adjusted EBITDA² of \$2.3m (up from negative \$0.8m in H1 FY21)
- 31 December 2021 cash balance of \$110.9m
- Positive \$1.8m H1 FY22 net cash flow from operating activities

OPERATIONAL HIGHLIGHTS

- ~450 staff across 10 locations globally
- Appointed Christian Stuart as CEO of North America to drive US racing strategy
- Appointed Rebekah Giles as an Independent NED
- New Jersey fixed-odds agreements amended to 15-year exclusive term
- Signed a binding Heads of Agreement to become the exclusive provider of pari-mutuel betting racing services for Caesars Entertainment Inc brick-and-mortar retail sportsbook locations in Nevada
- \$7.6m invested in new custom US hardware
- Increased to 10 Australian platform clients

\$43.5m

1H FY22 REVENUE

+473%

GROWTH VS. H1 FY21 REVENUE

+\$2.3m

ADJUSTED EBITDA²

74%

**GROSS PROFIT MARGIN
(+21% PCP)**

+\$1.8m

NET OPERATING CASH FLOW

\$111m

**CASH BALANCE
AS AT 31 DEC 2021**

FY22 HALF YEAR P&L SUMMARY

BetMakers experienced significant growth on revenue while improving gross margin in H1 FY22, supported by Global Tote and the expansion of the Australian platform and MTS offering

H1 FY22 REVENUE – \$43.5m (+473% vs H1 FY21)

- Expanding Australian platform and Managed Trading Services offering
- Integration of Racing and Digital assets acquired from Sportech PLC

H1 FY22 GROSS PROFIT – \$32.0m (+700% vs H1 FY21)

- Gross margin increased to 73.6% from 52.7% in H1 FY21

H1 FY22 ADJUSTED EBITDA¹ – \$2.3m

- Strong revenue growth across all divisions of the business
- Clear path for further growth
- Investment in staff across the group
- Focus remains on capitalising on current opportunities and driving revenue

Share based payments include accounting for Waterhouse VC, Tripp Investments and various employee payments.

- These payments have been amortised over the periods in which the Company expects to benefit from the associated transaction

A\$'000s	A\$'000s		Change	
	H1 FY21 \$'000	H1 FY22 \$'000	PCP	HoH
Revenue	7,594	43,499	473%	267%
- HoH growth	88%	473%	+385ppts	+312ppts
Gross Profit	4,002	32,026	700%	416%
- margin	53%	74%	+21ppts	+21ppts
Operating expenses (ex. SBP)	(6,820)	(35,790)	425%	202%
Share-based payments expense	(3,083)	(25,224)	718%	172%
EBITDA	(4,761)	(22,912)	381%	71%
- margin	(63%)	(53%)	+10ppts	+60ppts
Adjusted EBITDA ¹	(847)	2,312	(373%)	(214%)
- margin	(11%)	5%	+16ppts	+22ppts
	-	-		
Loss After Income Tax	(4,435)	(27,817)	527%	114%
Closing cash balance	68,637	110,880	62%	(8%)
Financial liabilities	-	-	n/a	n/a

Note: ¹ H1 FY22 adjusted EBITDA excludes share-based payments expense

FY22 HALF YEAR CASH FLOW SUMMARY

Positive operating cash flow was achieved while continuing investment into staff and hardware to maximise growth prospects into FY22 and beyond

OPERATING CASH FLOW

- Positive \$1.8m in net cash from operating activities
- Cash receipts of \$45.5m
- Continued investment in staff and operations to capitalise on current and emerging opportunities

CAPITAL EXPENDITURE

- \$10m invested in PP&E, primarily related to US hardware.
- All staff costs expensed and not capitalised
- Expected continued investment in racing related hardware to improve the racing experience for racing bodies and racing fans (although not at the levels of H1 FY22)

BALANCE SHEET POSITION

- Strong balance sheet with \$110.9m cash on hand as at 31 December 2021
- Positive operating cash flow
- Nil debt

A\$'000s	A\$'000s		Change	
	H1 FY21 \$'000	H1 FY22 \$'000	PCP	HoH
Receipts from customers	7,859	45,530	479%	223%
Payments to suppliers and employees	(9,700)	(44,380)	358%	201%
Government grants and tax incentives	-	895	nm	nm
R&D tax rebated received	584	-	(100%)	nm
Interest and other finance costs paid	(17)	(135)	694%	nm
Income taxes paid	(16)	(78)	388%	(8%)
Net cash from / (used in) operating activities	(1,290)	1,832	nm	nm
Payments for purchase of business (net of cash)	-	(6,235)	nm	(86%)
Net decrease in funds held on behalf of clients	-	(3,089)	nm	nm
Payments for property, plant and equipment	(109)	(10,338)	nm	465%
Payments for security deposits	(11,007)	-	(100%)	(100%)
Net cash from / (used in) investing activities	(11,116)	(19,662)	77%	(44%)
Proceeds from issue of shares	1,645	576	(65%)	(100%)
Proceeds from shares to be issued	50,000	8,161	(84%)	nm
Share issue transaction costs	(2,091)	-	(100%)	(100%)
Repayment of lease liabilities	(127)	(826)	550%	132%
Net cash from / (used in) financing activities	49,427	7,911	(84%)	(91%)
Net cash flow	37,021	(9,919)	(127%)	(119%)
Cash at beginning of period	31,625	120,608	281%	76%
Effect of movement in exchange rates	(10)	191	nm	1810%
Cash and cash equivalents at end of period	68,636	110,880	62%	(9%)



**THE NEXT PHASE OF
BETMAKERS' GROWTH
STRATEGY WILL BE
DEFINED THROUGH THREE
GLOBAL PRODUCT DIVISIONS**

**GLOBAL BETTING
SERVICES // TM**

**GLOBAL
TOTE // TM**

**GLOBAL RACING
NETWORK // TM**

GLOBAL BETTING SERVICES

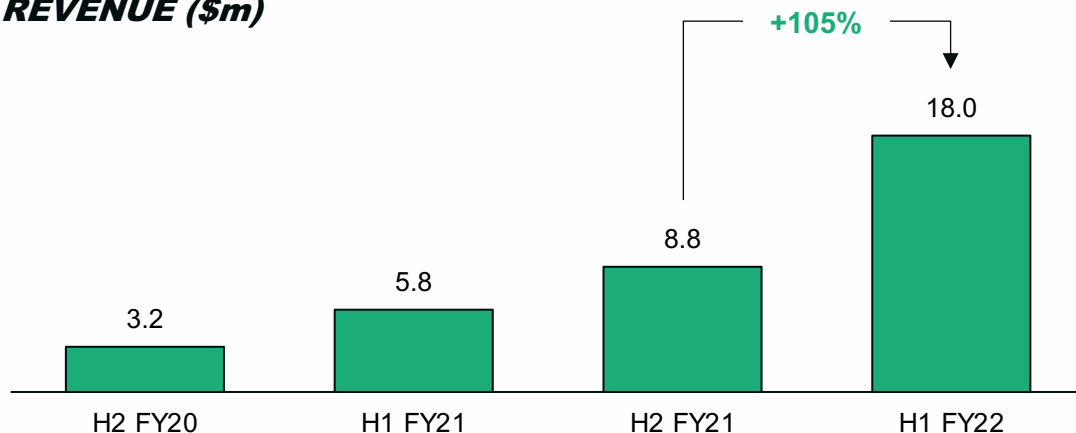
PERFORMANCE AND OUTLOOK



H1 FY22 PERFORMANCE

- Launched an additional two platform and Managed Trading Services clients (bringing the total number of Australian bookmakers powered by BetMakers' platform to ten)
- Two additional Australian bookmakers have launched since 31 December 2021 (current active total of twelve)
- Six additional Australian bookmakers contracted and expected to launch before 30 June 2022
- 20+ platform clients in the US, generating US\$300m+ in annual turnover

REVENUE (\$m)



STRATEGIC FOCUS AND OUTLOOK

- Continue to expand MTS Australia with six customers signed and due to launch in H2 FY22
- Launch fixed odds betting into the US market
- Sign and integrate New Jersey operators to take the BetMakers' Pricing and Race Day Controls ("RDC") solution
- Sign and integrate US operators to take the BetMakers' MTS solution
- Continue to invest in BetMakers' white label platform technology and Managed Trading Services offerings
- Contract and launch additional bookmakers in UK and Australia
- Leverage the BetMakers' white label platform technology in the Australian, US and other markets
- Work with our International partners to form a web of Global Racing Network partners
- Expand the Global Trading team with a focus on building further automation, machine learning, and scalability

GLOBAL TOTE

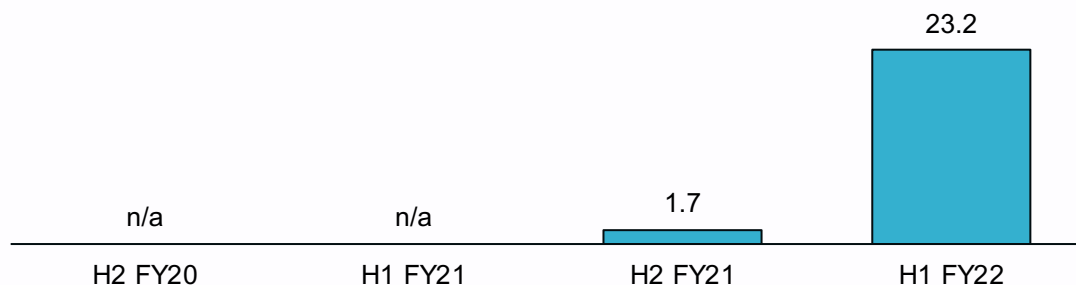
PERFORMANCE AND OUTLOOK



H1 FY22 PERFORMANCE

- Renewed contracts with key racing partners such as Catskill Regional OTB, Penn National Gaming, TVG, MGM Yonkers, Rillito and Monticello Raceway
- Made significant investment in new custom teller and self-service terminals and racing display hardware
- \$23.2m in revenue for H1 FY22, generated from operations across the Northern Hemisphere
- Signed extended 10 year agreement with Monmouth Park
- Signed HOA to provide exclusive pari-mutuel solutions for Caesars Entertainment's retail sportsbooks in Nevada
- Signed extension to commingling services agreement with Hong Kong Jockey Club
- Signed contract extension with Leidsa

REVENUE (\$m)



STRATEGIC FOCUS AND OUTLOOK

- Achieve 24/7 Tote product with zero downtime for end of session functions
- Roll out Flexi Betting across the European and US markets
- Reduce minimum bet amounts
- Deploy new bespoke self-service and teller betting terminals and software across US estate
- Focus on enhancing global integrations for operators globally to improve liquidity across racing content from all jurisdictions
- Continue investment in Global Tote development including innovative bet-types and the creation of new pools
- Invest in the full race-day experience in the US including new terminals, improved data, content and form, display networks and big boards
- Complete integration of Sportech technology into BetMakers' stack
- Sign and roll out agreements with major US and European partners
- Continue to build out the Global Tote concept by connecting customers further to encourage pooling across the globe

GLOBAL RACING NETWORK

PERFORMANCE AND OUTLOOK



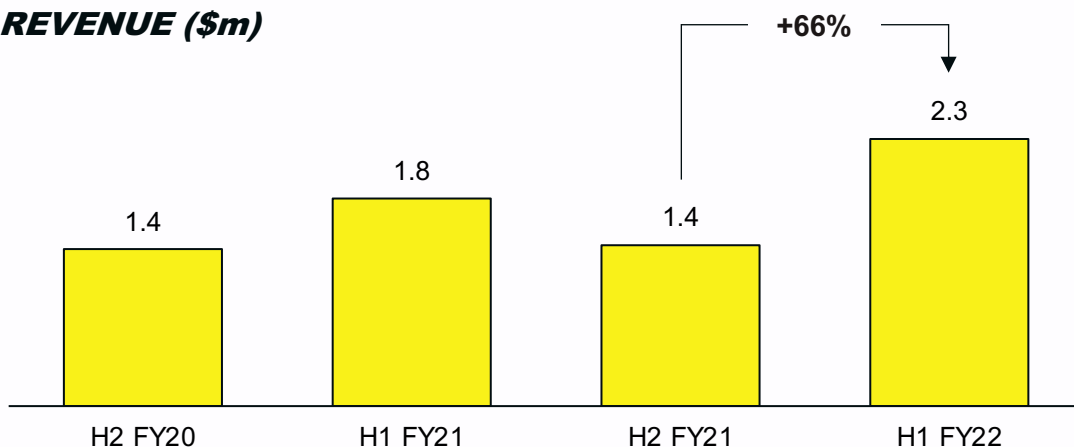
H1 FY22 PERFORMANCE

- Extended fixed odds betting exclusivity in New Jersey for 15 years from the original contract date
- Worked with Kentucky Downs to validate the global model of racing distribution, with integration across Europe, South America, Turkey and Australia
- Working with international racing bodies and rights holders to distribute their content within Australia
- Developed the GRN Reporting Tool enabling live time visibility of turnover by bookmaker and race track
- 15+ tracks signed ready for NJ launch

STRATEGIC FOCUS AND OUTLOOK

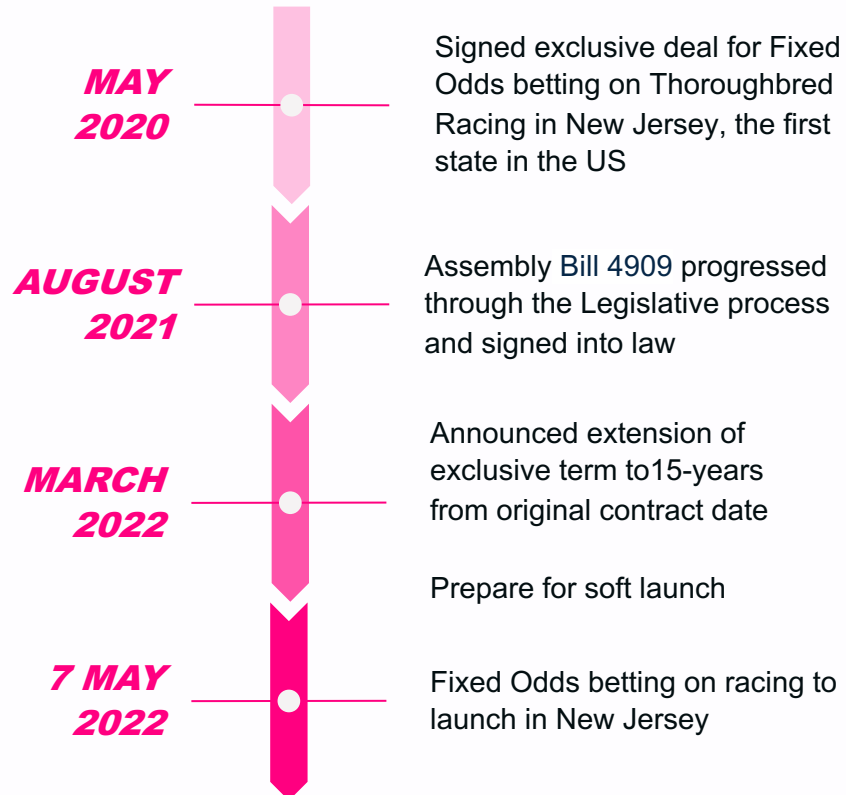
- Initiate fixed odds betting on horse racing in the United States
- Launch domestic and international fixed odds racetrack partners in New Jersey
- Contract additional rights holders to facilitate distribution of racing content in New Jersey and other licensed jurisdictions
- Roll out the GRN reporting tool within New Jersey to provide bookmakers and race tracks with transparency, and to assist in policing integrity concerns

REVENUE (\$m)



NEW JERSEY UPDATE

BetMakers' B2B strategy is enabling the growth of the US sports betting market, allowing BetMakers to participate without competing in expensive B2C marketing campaigns



VIEW OF THE OPPORTUNITY

- Signed extension to the term to 15-years from original contract date, including exclusive rights to manage fixed odds betting on thoroughbred horse racing on behalf of the New Jersey Thoroughbred Horsemen's Association
- Sports Book Operators required to Integrate with BetMakers to conduct betting on Thoroughbred horse racing in New Jersey
- More than US\$10bn+ was wagered on Sports Betting in New Jersey in 2021¹
- US\$15bn+ annualised total market in New Jersey as at January 2022¹
- Exclusive deal with Monmouth Park to manage fixed odds on course at all meetings and at non race day meetings at Monmouth Park and its Off Track Wagering shops throughout New Jersey
- Positive feedback from operators on the opportunity of fixed odds betting on Thoroughbred racing in New Jersey and other locations throughout the US
- Fixed odds targeting launch May 7th for opening day at Monmouth Park (conditional on finalisation of state regulatory framework)

H2 FY22 strategic focus



Continue executing B2B strategy across Australia and the US



Launch fixed odds horse race wagering in New Jersey



Contract New Jersey licensed bookmakers for delivery of fixed odds horse racing and related services



Focus on contracting racing content for delivery in New Jersey market



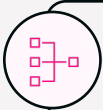
Establish the fixed odds model in New Jersey for replication in other states



Contract and launch additional Australian bookmakers on BetMakers' platform



Continue investment in enhancing racing globally – hardware, improved data, software and global commingling



Expand our tote network with a focus on new customer acquisition across the Northern Hemisphere



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