

Q3 FY22 QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2022

Quarterly highlights

- **\$21.6mil in cash receipts in Q3 FY22 is +316% versus Q3 FY21**
- **YTD (9 months) cash receipts of \$67.2mil**
- **Signed an amended and restated fixed odds and data distribution agreement for New Jersey**
- **Appointment of Christian Stuart as CEO of North America**
- **Appointment of Rebekah Giles and Anna Massion as Non-Executive Directors of BetMakers**
- **Closing cash balance of \$107.8mil**

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 Q3 FY22, the quarter ending 31 March 2022.

The \$21.6mil in reported cash receipts from customers in Q3 FY22 highlights the continued strong performance of the existing business with YTD cash receipts for the 9 months of \$67.2mil.

Net cash used in operating activities for the quarter was \$2.9mil, which includes approximately \$2.5mil in payments not directly related to the period (see below for further detail).

BetMakers Chief Executive Officer Todd Buckingham said:

“We are very pleased with the performance of the Company during the first 3 months of 2022, during which time we have also focused on securing the right people and resources to deliver on our strategy. The Company continues to pursue a number of opportunities, and is working hard to ensure it has the right resources in place to deliver on these opportunities.

After significant investment in the US market over the past 3 years, the recruitment of Christian Stuart as CEO of North America is a significant appointment for the Company. Christian has held executive leadership positions within the US gaming industry and his addition to the BetMakers executive team bolsters US operations and strategy.

As another significant milestone in our US strategy, the Company signed an amended and restated fixed odds and data distribution deal with Darby Development LLC, the operator of Monmouth Park racetrack, and the New Jersey Thoroughbred Horseman Association. The parties agreed to extend the term for BetMakers to be the exclusive provider to deliver and manage fixed odds betting on thoroughbred horse racing into New Jersey from the initial period of 10 years to a new contracted term of 15 years.”



During the quarter the Company also strengthened its Board of Directors with the addition of Rebekah Giles and Anna Massion as Non-Executive Directors. Both Rebekah and Anna bring a wealth of knowledge across legal, financial and wagering operations.

Cash receipts from customers during the quarter declined compared to Q2 FY22 receipts and reflects a seasonally quieter period for the business (with limited northern hemisphere racing during the winter months) and stronger recoverability of accounts receivable during Q2 FY22. It represented a 316% increase compared with Q3 FY21.

Net cash used in operating activities for the quarter was \$2.9m, which includes: i) \$884,000 of payments for cloud services and data and software management tools, not directly related to the period (i.e. prepayments); ii) \$839,000 in third party costs directly related to the News Corp Australia, Matt Tripp and Tekkorp (Matt Davey) new platform deal; establishment of fixed odds wagering in the US; audit fees and isolated project legal fees; and iii) \$808,000 in short term incentive payments to global staff for the period to 31 December 2021 (calculated and awarded in-line with the Company's Short-Term Incentive Plan).

Net cash used in operating activities	(2,892)
i) Payments for Cloud and software services not directly related to the quarter	884
ii) Third party costs related to NTD Ltd new platform, establishment of US Fixed Odds, audit fees and isolated-project legal fees	839
iii) Global staff short term incentive payment	808
Net cash used in operating activities, excluding noted items	(361)

The Company's 31 December 2021 balance sheet position remains strong with \$107.8mil of cash and no debt.

Q3 FY22 HIGHLIGHTS INCLUDE:

Extension of NJTHA agreement to new 15-year exclusive term

BetMakers Technology Group Ltd announced to the market on 24 January 2022 that it had signed an amended and restated fixed odds and data distribution deal with Darby Development LLC, the operator of Monmouth Park racetrack, and the New Jersey Thoroughbred Horseman Association. The parties agreed to extend the term for BetMakers to be the exclusive provider to deliver and manage fixed odds



betting on thoroughbred horse racing into New Jersey from the initial period of 10 years to a new contracted term of 15 years.

BetMakers appoints gaming industry leader as CEO North America

On 20 January 2022, BetMakers announced the appointment of Christian Stuart in the key role of CEO of North America.

For the past 16 years, Christian has been a frontrunner in the US gaming industry, holding executive leadership positions with Caesars Entertainment Inc., the largest gaming company in the US. Christian's previous roles included SVP Business Development of Caesars Digital, Head of Caesars Sports and Online Gaming, where he oversaw the expansion of sports betting, online gaming and poker, and EVP Gaming & Interactive Entertainment.

Appointment of Rebekah Giles and Anna Massion as independent Non-Executive Directors of BetMakers Technology Group Ltd

As announced on 9 February 2022, BetMakers appointed Rebekah Giles, one of Australia's leading lawyers, to the Company's board as an independent Non-Executive Director. Rebekah has more than 20 years' experience as a legal practitioner working in private practice and specialising in contentious matters, specifically complex commercial and sensitive legal disputes, regulatory investigations, reputational risk, prosecution and inquiries.

As announced on 4 March 2022, BetMakers appointed Anna Massion to the Company's board as an independent Non-Executive Director. Anna, who is based in the US, is a highly experienced board member who currently holds directorships at international gaming technology and investment companies.

Activities after reporting period

As announced by the Company on 21 April 2022, BetMakers was selected as the exclusive technology and services provider to a new wagering venture controlled by a consortium of Tekkorp Capital LLC, News Corp Australia, and TGW, a trust whose investors include Matt Tripp.

The Company paid Directors \$176,000 for services during Q3 FY22. This included payment to the Chief Executive Officer for employment services as CEO.

The Appendix 4C for the quarter ending 31 March 2022 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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	21,631	67,161
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,960)	(19,441)
(c) advertising and marketing	(156)	(468)
(d) leased assets	(469)	(1,295)
(e) staff costs	(12,134)	(35,119)
(f) administration and corporate costs	(4,462)	(11,978)
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	(27)	(105)
1.7 Government grants and tax incentives	-	895
1.8 Other (provide details if material)	(315)	(1,268)
1.9 Net cash from / (used in) operating activities	(2,892)	(1,618)

1.2(b) Includes \$1,723,000 in payments related to Cloud and software services not directly related to the quarter and third party costs related to NTD Ltd new platform, establishment of US Fixed Odds, audit fees and isolated-project legal fees

1.2(e) Includes \$808,000 in global staff short term incentive payment

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 (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(319)	(6,554)
(c) property, plant and equipment	(1,992)	(12,330)
(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)	2,973	(116)
2.6 Net cash from / (used in) investing activities	662	(19,000)

2.1 (b) Predominantly relates to contracted completion payment for the acquisition of Form Cruncher.

2.1 (c) Predominantly relates to funds paid in relation to the development and construction of the new Bet Line betting terminals and other on-track and in-venue hardware (for initial use in the US).

2.5 Represents the quarterly movement in restricted cash held by US operations on behalf of customers. The restricted cash balance is subject to variance as funds are collected and distributed to customers and BetMakers US as fees. The restricted cash balance at 31 March 2022 was \$6.7m.

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	94	8,831

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
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)
3.10 Net cash from / (used in) financing activities	94	8,558

3.3 Relates to funds received from Waterhouse VC in relation to exercising its Performance Rights for the 6 month period to 31 December 2021 (under the Waterhouse managed trading services agreement).

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	110,878	120,611
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,892)	(1,618)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	662	(19,000)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	94	8,558
4.5 Effect of movement in exchange rates on cash held	(966)	(775)
4.6 Cash and cash equivalents at end of period	107,777	107,777

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

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	107,777	110,878
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)	107,777	110,878

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

176

-

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

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

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)	(2,892)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	107,777
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	107,777
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	37

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: 29 April 2022.....

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.