

Q3 FY23 Investor Update

1 May 2023

BetMakers Technology Group | ASX:BET

Disclaimer

This shareholder update is dated 1 May 2023.

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**OUR MISSION IS TO
POWER EXCITEMENT,
GROWTH AND
SUSTAINABILITY OF
WAGERING GLOBALLY**

WE SIMPLIFY BETTING.

Executive Chairman Update

Q2 Oct - Dec 2022

- Largest ever quarterly receipts from customers of \$26.9m, up 9% compared to Q2 FY22.
- Invested heavily on platforms and international expansion, resulting in significant cost-base growth and a loss of \$5.9m in net cash from operations.
- At the conclusion of the quarter, the company reiterated it would focus on operational efficiencies and getting the business into a position of positive operating cash-flow as soon as possible.

Q3 Jan - March 2023

- Announced management and board restructure.
- Operating costs of the business are **down** 13% on previous quarter.
- Cash receipts from customers **up** 9% compared to Q3 FY22.
- Negative \$4.9m in net cash from operations (17% **decrease** in cash burn).
- Clear path identified to cash flow generation from operations.

Management Focus



Reduce and normalise the cost base

Focus on capital management and positive free cash flow, addressing our operational cost base to match the current revenues and being more disciplined with capital allocation.



Simplify the global operating model

Focus on restructuring management, operating teams and product suite to simplify service delivery and maximise shareholder value.



Deliver on the current opportunities

Deliver revenue growth by realising the revenues from the products already built and the customers already contracted (i.e. New Jersey fixed odds, Caymanas, Caesars, Rikstoto, Penn content).



Drive operating scale through technology

Consolidating legacy technology and upgrading platforms to BetMakers NextGen technology will deliver superior product for customers and more operating margin to the business.

BetMakers Product Divisions

GLOBAL BETTING SERVICES

GLOBAL TOTE

GLOBAL RACING NETWORK

Products

Platform Development	Fixed Odds Pricing	Data Lifecycle
Form and Content	Managed Trading Services	Embedded Racebook

Products

Quantum™ Tote Engine	Tote Hosting	Tote Pooling
Betting Terminals	Venue Services	Interface Management

Products

Official Price	Race Day Controls	Rights Partnerships
Racing Vision	Integrity Platform	Reporting and Analysis

Customers

Wagering Operators	Media and Content Suppliers	Aggregators and Affiliates
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Customers

Racetracks	Retail Wagering Venues	Online Wagering Operators
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Customers

Racetracks	Rights Holders	Regulators
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Q3 FY23 4C Review

- As noted in the Q2 FY23 activities report, the Company made significant operational progress but also saw a significant expansion in its cost base.
- As announced on 31 January 2023, the Company announced Board and Executive management changes to enable the optimisation of the full potential of the business. Specifically an increased focus on operational disciplines, cost efficiency, and optimal capital management.
- The Company's focus has been to reduce and normalise the cost base with an aim of being operationally cash flow positive during H2 FY23.
- Receipts from Customers of \$23.6m (+9% vs Q3 FY22).
- Focus on reducing and normalising the cost base:
 - Product manufacturing and operating costs (-13% vs Q2 FY23) - focus on decreasing costs through right-sizing of systems and cloud hosting environments.
 - Staff costs (-8% vs Q2 FY23) - reduction in the use of third party contractors, and company restructuring.
 - Administration and corporate costs (-25% vs Q2 FY23) - reduction in use of third party advisors and no annual insurance payments in Q3.
 - Overall operational cash outflows of \$28.6m (-13% vs Q2 FY23).
- 31 March 2023 cash balance of \$56.2m¹.

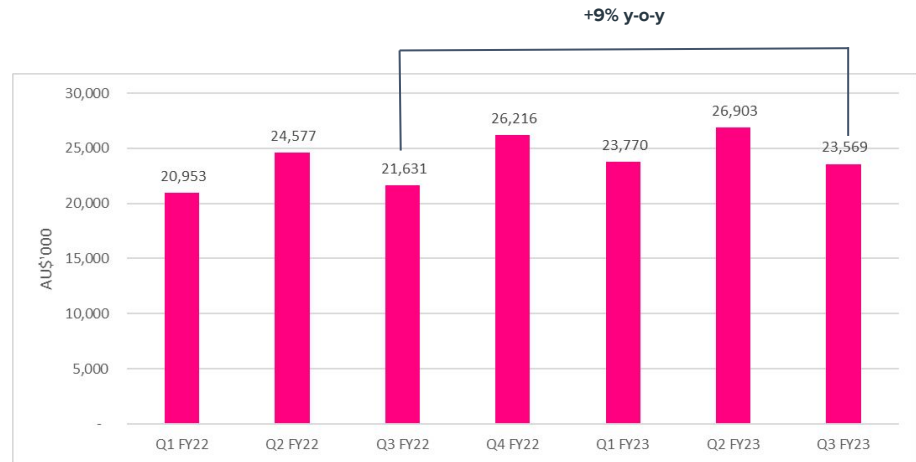
AUD'000	Q3 FY23
Receipts from customers	23,569
Product manufacturing and operating costs	(9,057)
Advertising and marketing costs	(174)
Leased assets costs	(602)
Staff costs	(15,867)
Administration and corporate costs	(2,828)
Income taxes paid	(35)
Government grants and tax incentives	-
Other (provide details if material)	(29)
Net cash from / (used in) operating activities	(5,023)
Property, plant and equipment	(1,076)
Payments to acquire businesses	-
Other (provide details if material)	1,196
Net cash from / (used in) investing activities	120
Proceeds from exercise of share options	-
Other (provide details if material)	-
Net cash from / (used in) financing activities	-
Cash and cash equivalents at beginning of the period	60,958
Net cash flow	(4,903)
Effect of movement in exchange rates on cash held	109
Cash and cash equivalents at end of the period	56,164

¹ This includes the restricted cash balance of \$17.5m

Quarterly Cash Receipts from Customers

Q3 FY23 cash receipts of \$23.6m (+9% vs Q3 FY22)

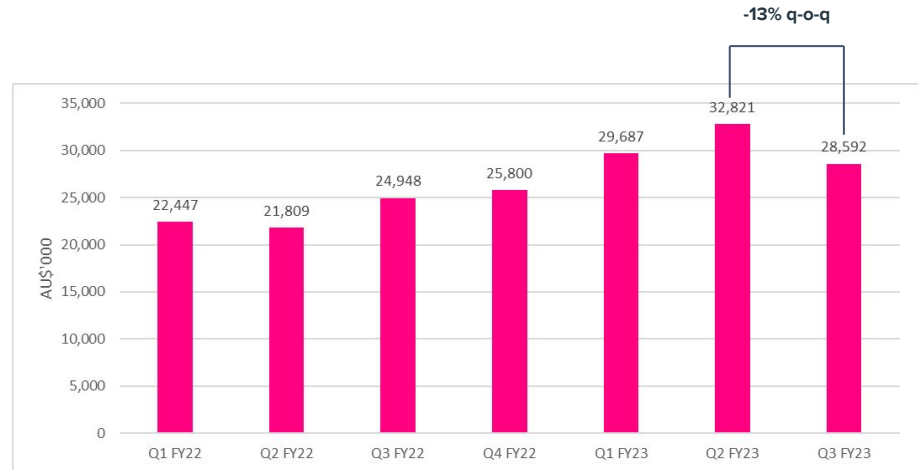
- Seasonally quiet revenue quarter with a reduction in racing in the Northern Hemisphere, and limited feature racing domestically.
- Revenue focus remains on:
 - Supporting existing clients to drive profitability and scale;
 - Bringing contracted clients to market as efficiently and quickly as possible to generate positive inflows on the investment made;
 - Expanding existing relationships and assets to ensure full value potential is unlocked.



Quarterly operating cash outflows

Focus on the reduction and normalisation of operating costs

- Company cost base expanded significantly in Q1 and Q2 FY23 due to the investment made to deliver on new contracts, technology and growth opportunities.
- During Q3 FY23 the Company was focused on operational change to reduce and normalise the operating cost base.
- Progress was made during Q3 FY23 as evidence by the decline in operating cost outflows, although the Company is continuing to review its cost base to extract operational inefficiencies.
- Management remains focused on reducing the Company cost base to deliver sustainable positive cash flows, providing a secure base from which to continue growth.



INVESTOR QUESTIONS

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