



Investor Presentation & Proposed Acquisition of the Flexi-NET™ Business

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Agenda



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1. About eBET

Company Overview



ASX listed with
\$60¹m market
capitalisation



Leading **gaming**
systems and **business**
intelligence provider



Head office
North Ryde,
NSW



145 employees with a
network of **>54,000** gaming
machines (EGMs) across
Australia & Asia



Commitment to
excellence,
innovation and
superior client service



Local Australian
development



Extensive
management
experience
in gaming

¹ Market Cap may vary based upon share price fluctuations

Company Overview



The Company

- ASX Listed (EBT)
- Provides Gaming Solutions and Business Intelligence tools and expertise
- Strong position in chosen markets
- Commercial arrangements with over 800 venues operating over 54,000 machines across Australia and Asia Pacific

Board and Management

BOARD

Chairman: Paul Oneile

Director: Mike Hale

Director: Allan Sullivan

Director: Ian James

CEO & MD: Tony Toohey

MANAGEMENT

CEO & MD: Tony Toohey

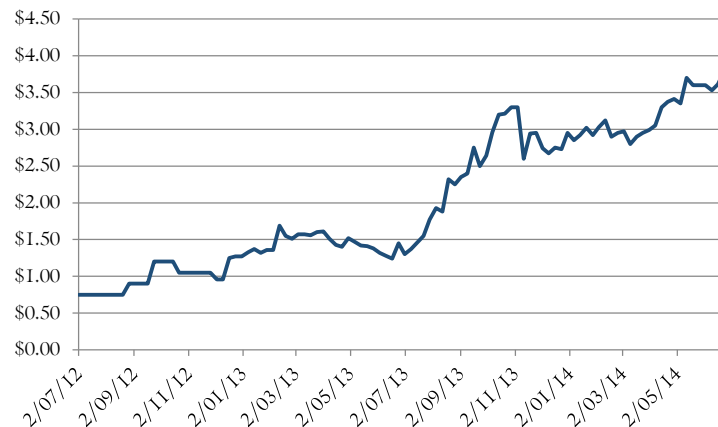
CFO: Robert Fredericks

GM Odyssey: Mark Anderson

GM Astute BI: Mark Allen

Share Registry

- 10.96% IOOF – Perennial Investment Partners
- 8.40% Commonwealth Bank – Colonial First State
- 7.71% MicroEquities Asset Management
- 6.48% Perpetual and subsidiaries
- 5.45% Gailforce Marketing and PR



Shares on issue 15.3m

52 week high - \$4.00, 52 week low - \$1.36

1. Gaming Systems

Gaming Systems revenue is New Sales revenue generated through:

- System Sales to new venues
- System upgrades to existing venues
- Introduction of new system functionality
- CARD IT™
- Pathway™ / Engage™
- VNU Apps
- TITO

Typically

- eBET contributes 92%
- Odyssey contributes (QLD sales) 8%

2. Gaming Operations

Gaming Operations is Recurring Revenue generated by the combination of the gaming service and support divisions of both Odyssey Gaming (QLD) and eBET Gaming Systems (NSW & VIC)

3. Gaming Machines

As announced on 4th February 2014, eBET & WMS agreed to transition from a Sales, Distribution and Logistic model to;

- A new fee based Logistics, Service, Support and Technical Services model
- 4 + 1 + 1 year agreement
- Ability for eBET to earn additional revenues from software and hardware development services

4. Business Intelligence

- eBET acquired CDOL in March 2014
- CDOL is a leading business intelligence technology provider
- A full suite of business intelligence tools;
 - Data mining
 - Data visualisation
 - Data analytics
- Enhance existing eBET system users with access to enhance functionality
- Expanded client base

Financial Overview



Overview

	FY2012 (\$000)	FY 2013 (\$000)	1H FY 2014 (\$000)	FY 2014 e ¹ (\$000)
Revenue	41,357	42,393	21,040	
Recurring %	49%	49.5%	53%	
Gross Margin	24,489	25,942	14,178	
EBITDA	6,011	7,043	3,663	
NPBT	2,444	2,855	1,606	3,500 to 3,700
NPAT	2,027	2,729	1,139	
EPS (cps)	13.2	5.9		22 to 24
Borrowings	5,144	3,776	3,336	
Net Cash	1,610	3,418	3,340	

¹ FY14e are unaudited management accounts.



2. Transaction Overview

Proposed Transaction Overview



Summary	<ul style="list-style-type: none">▪ eBET proposes to enter into an agreement to acquire 100% of the Flexi-NET™ business from Independent Gaming Pty Ltd▪ Total consideration of \$4.8m, plus stock (inventory) at value (under \$600K), in cash, payable by instalments▪ Flexi-NET is a leading gaming system business, providing an alternative TITO (Ticket In Ticket Out) system and technology▪ Implied EV/adj. EBITDA acquisition multiple of 3.1 x (FY13)
Strategic Rationale	<p>If completed the proposed transaction provides strong strategic and financial benefits:</p> <ul style="list-style-type: none">▪ Increased scale in the NSW Club & Hotel gaming systems market.▪ Flexi-NET is an independent gaming system provider servicing 84 venues and 8,100 gaming machines▪ Extends eBET's national market leadership in Gaming Systems▪ Strong, recurring cash flows▪ Significant product and operational cost synergies▪ Strong customer service focus across both organisations
Funding	Acquisition funded by a A\$8.3m Placement
Accretion	Minimum circa 21% EPS accretion on a pro-forma FY14 basis (pre transaction and integration costs)
Completion	July 2014



3. Flexi-NET Overview

Flexi-NET Overview



The Flexi-NET system was developed in response to the introduction of TITO (Ticket In Ticket Out) into the NSW market in 2007

Flexi-NET is a wholly owned subsidiary of Independent Gaming Pty Ltd (privately owned)

The Flexi-NET system offers an alternative TITO solution enabling all gaming machines to operate a form of TITO with re-writable tickets

The system is compatible with **ALL** makes and models of gaming machines in NSW

The Flexi-NET operating system is Windows based

The database is Microsoft SQL based

The Flexi-NET system operates an Ethernet (TCP/IP)

Flexi-NET Footprint

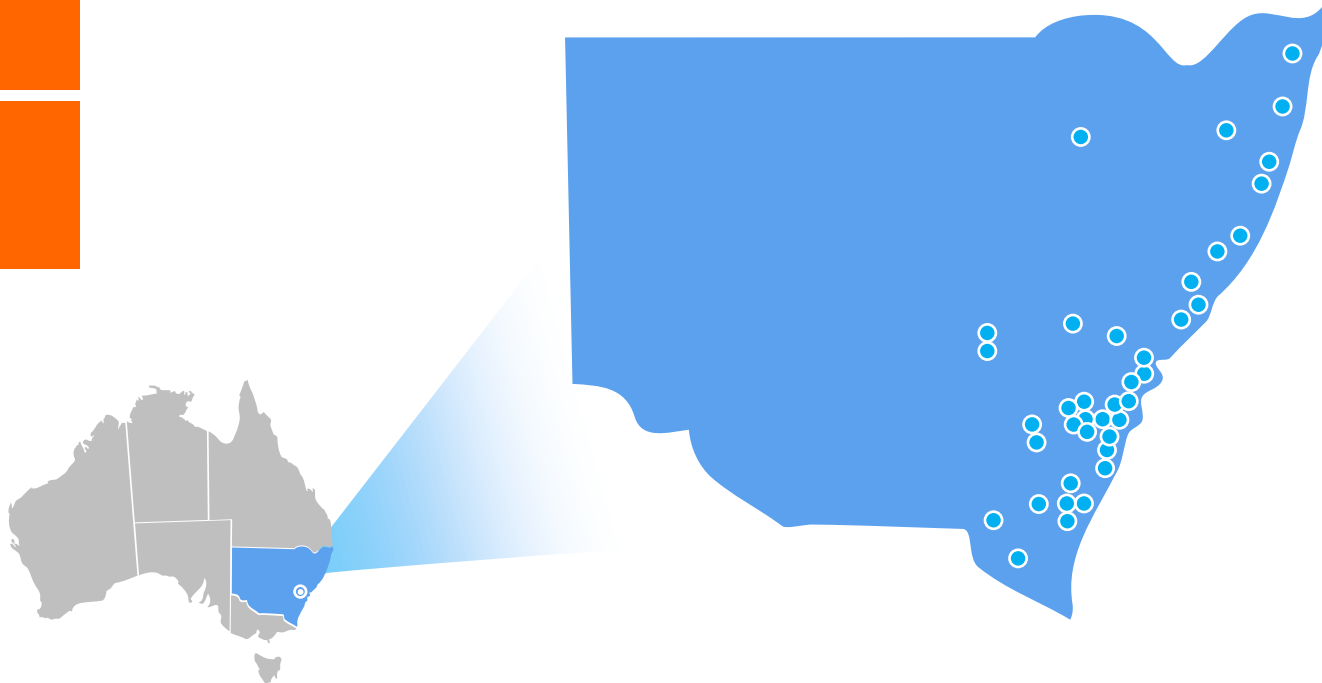


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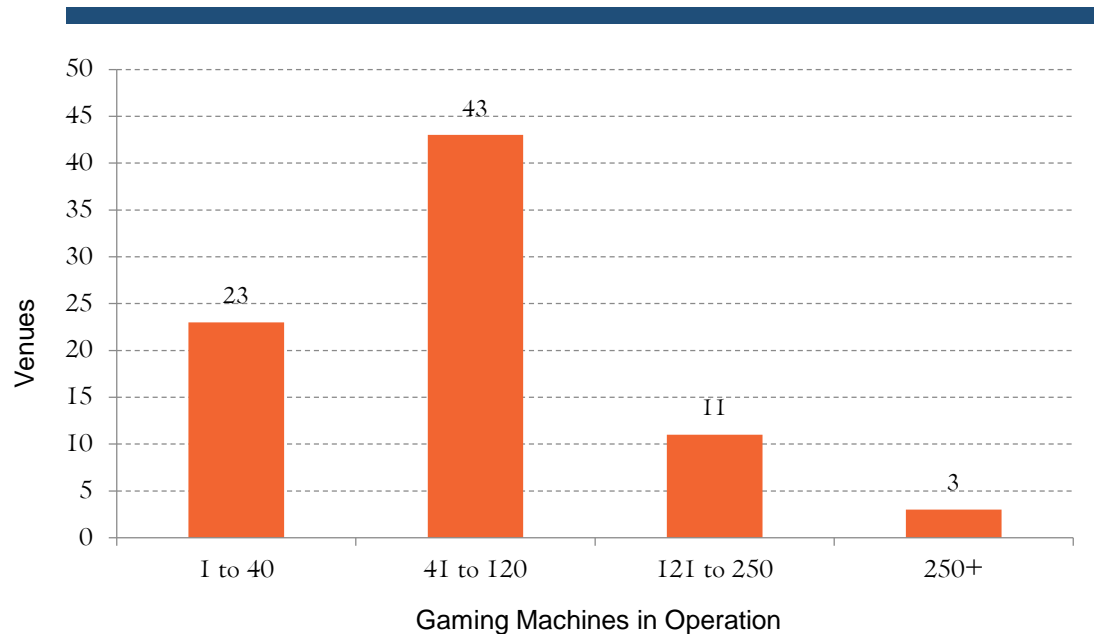
LOCATIONS - NSW

8100+

MACHINES - NSW



Flexi-NET Client Profile (Clubs & Hotels)



Of the 84 Flexi-NET venues, the majority of customers are in venue sizes of 41-120 EGMs.

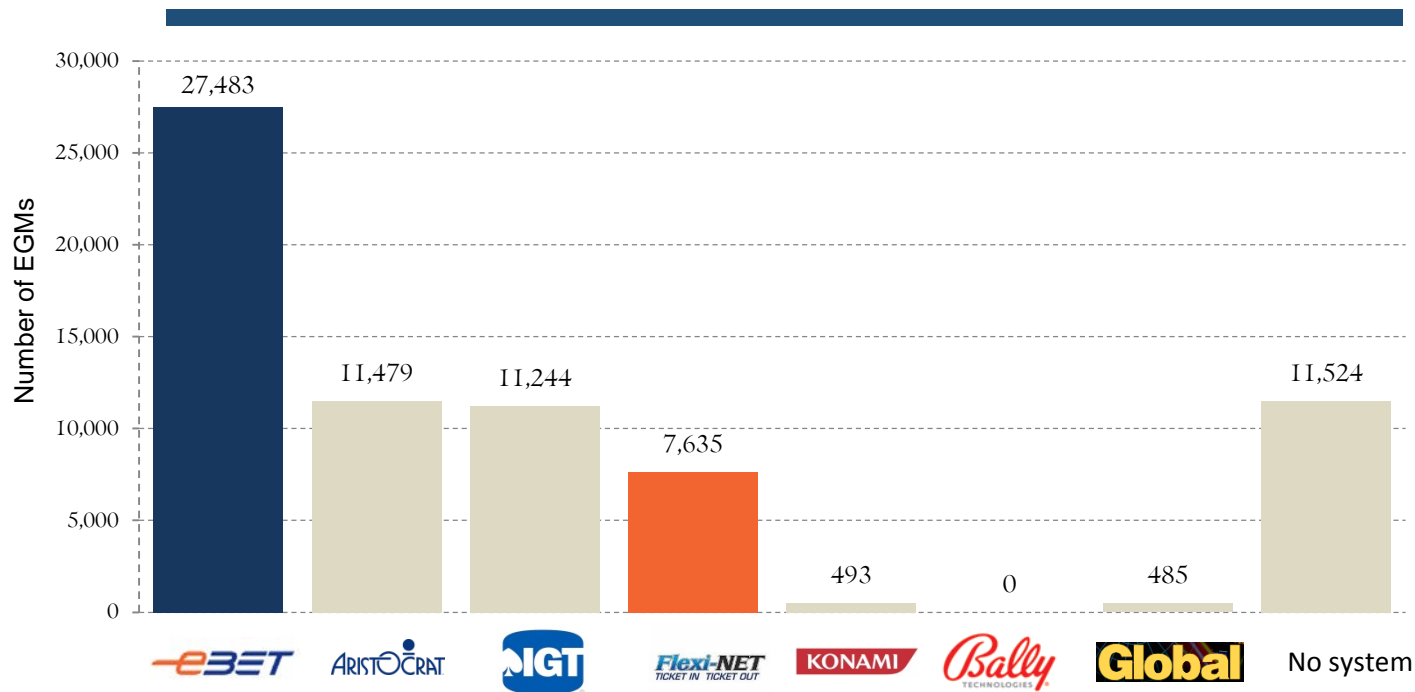


4. Strategic Rationale

INCREASED SCALE



NSW Club Gaming Systems by Provider¹



¹ System units are eBET estimates

Increased Scale



Increased scale in the NSW Club and Hotel gaming systems market

Increase in eBET's install base from approximately 54,000 units to 62,100

70% of Flexi-NET's revenue is recurring with 100% under contract

Increase in recurring revenues of 14% to circa \$24m

Improved ROI on future R & D spend

Technology Migration Path



The proposed combination of both the eBET & Flexi-NET systems technologies allows for the development of a system migration path from the existing Flexi-NET management system to the eBET management system

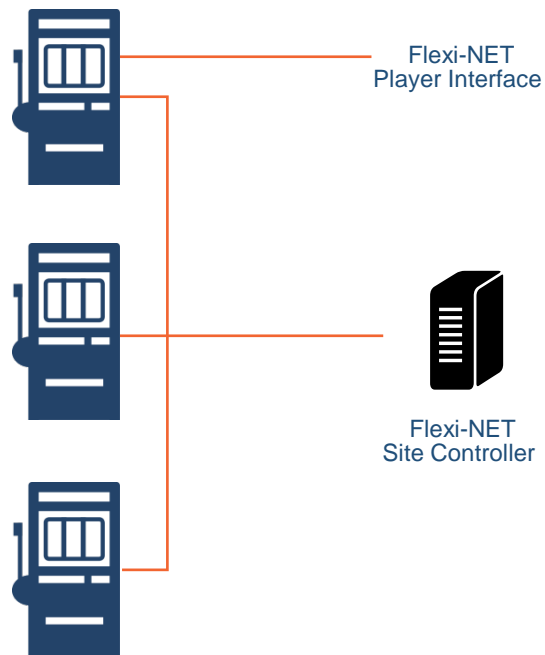
The establishment of a migration path will allow existing Flexi-NET users to gain access to the full eBET gaming management suite of products

In addition, Flexi-NET venues will have access to the Astute BI (business intelligence) data analysis and data visualisation tools

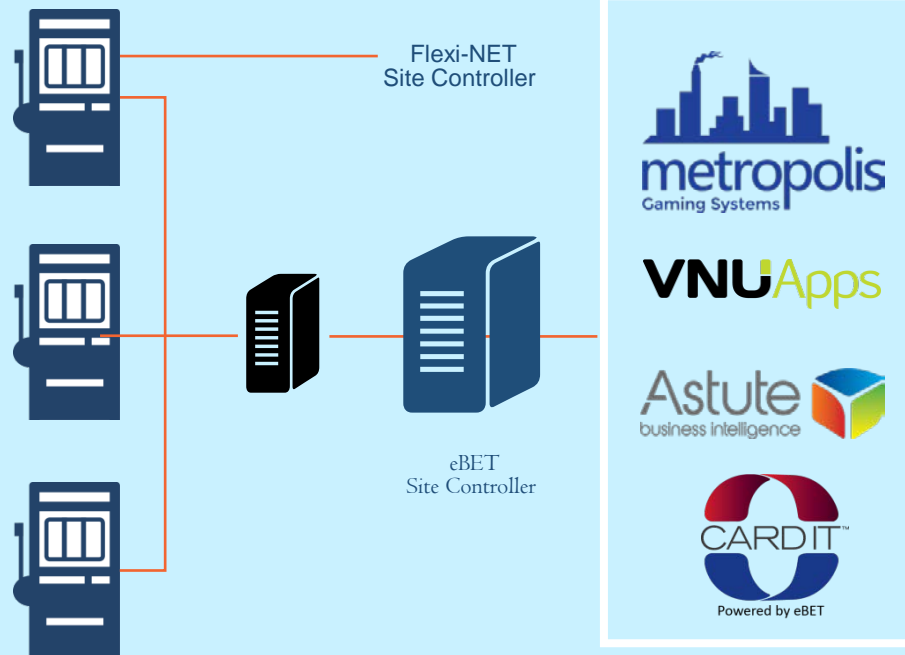
Flexi-NET Migration Path



Current Floor Network



Proposed Floor Network



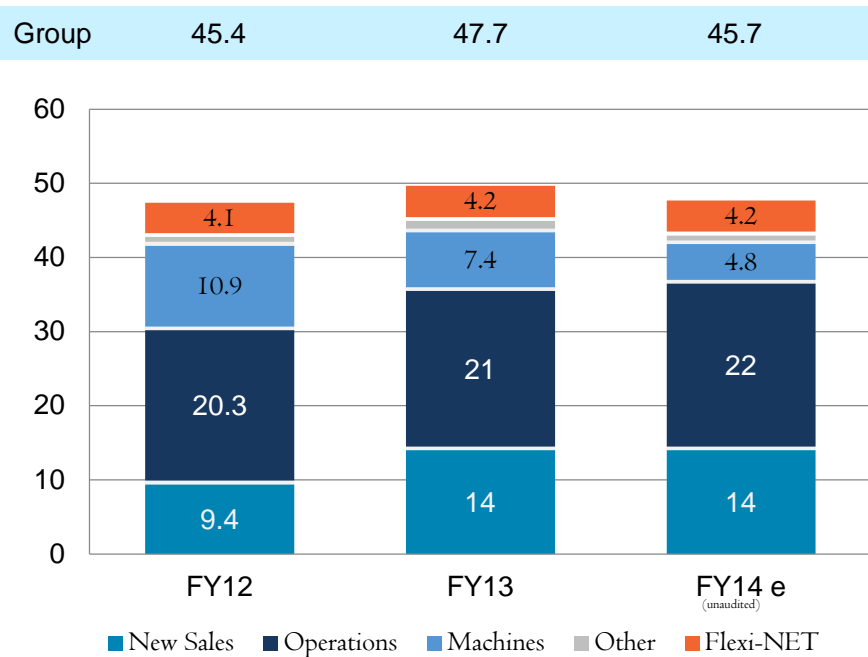


5. Financials

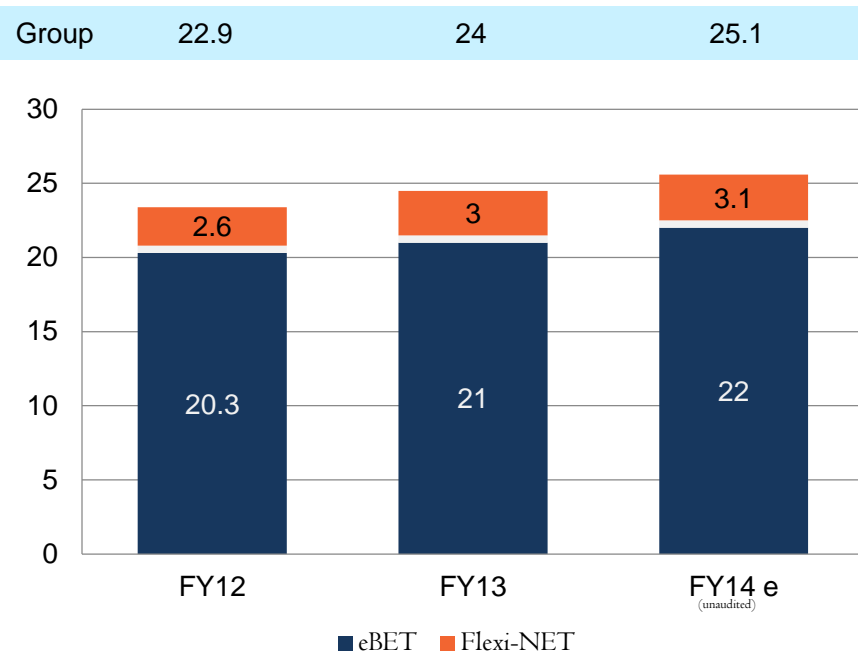
Combined Group Revenues



Pro forma adj. Total Revenue (\$ million)¹



Pro forma adj. Recurring Revenue (\$ million)¹



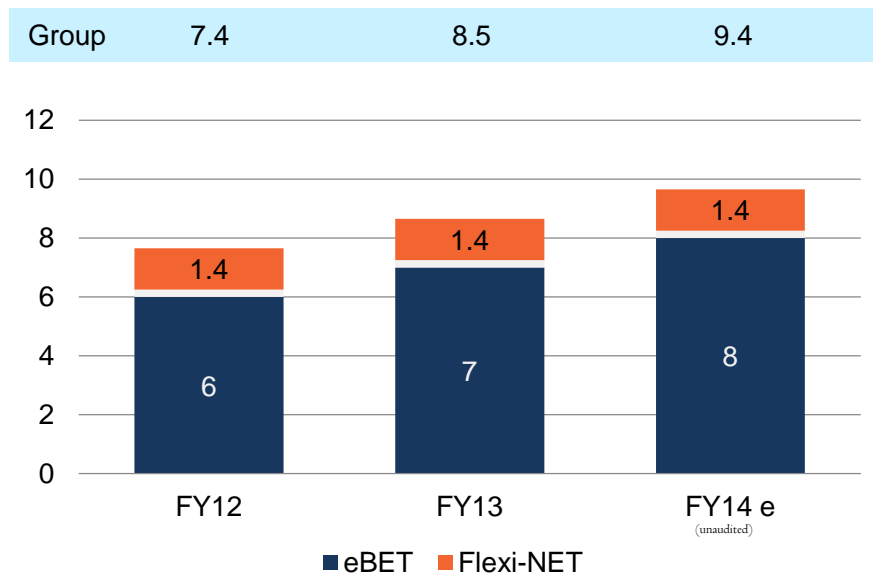
Note : Group totals may not add up due to rounding and the exclusion of "other" revenue (which are not considered material)

¹ eBET FY12 & FY13 (normalised) are as per the Annual Report. FY14e are unaudited management accounts. Flexi-NET are IG management representations

Combined Group EBITDA



Pro forma adj. EBITDA (\$ million)¹

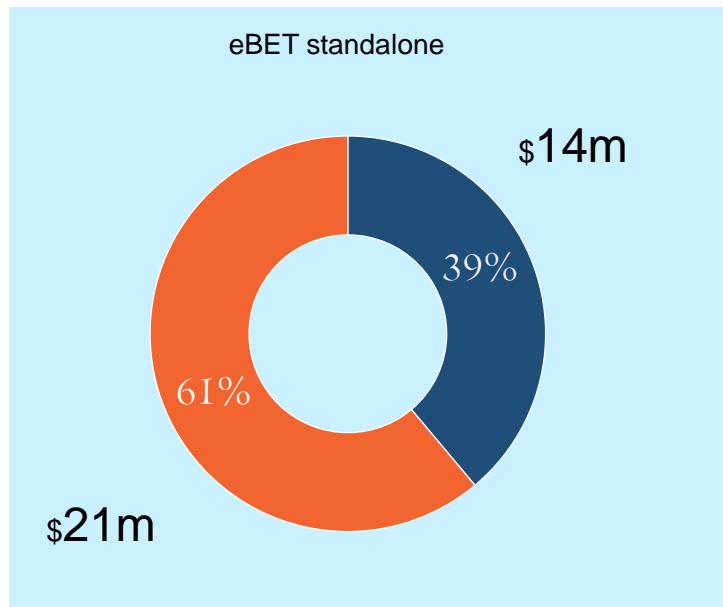


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Combined Group Systems Revenue Profile

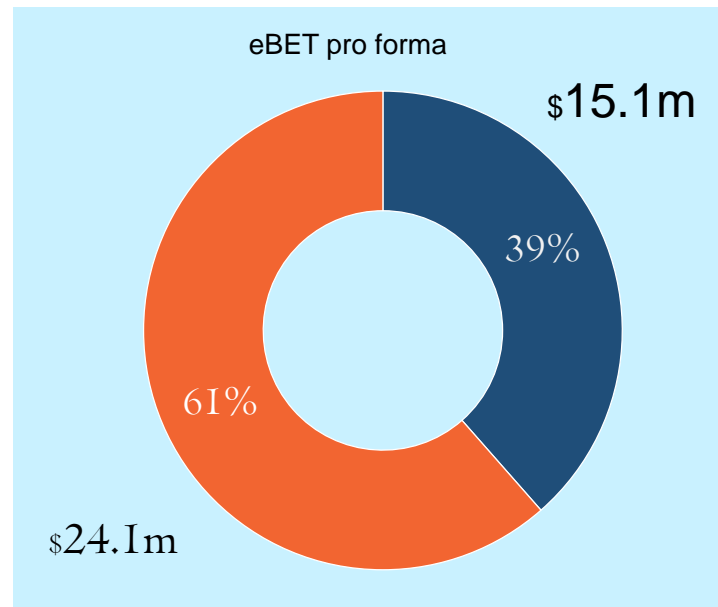


Pro forma adj. Systems Revenue (\$ million)¹



■ Sales

Pro forma adj. Systems Revenue (\$ million)¹



■ Recurring

¹ FY14e are unaudited management accounts. Flexi-NET are IG management representations

FY 14 Profit Guidance & Dividend



Profit Guidance (as announced on 26 June,14)

- FY14 Profit Guidance - net profit before tax (NPBT) of between A\$3.5m and A\$3.7m
- Increase of between 22% and 30% from the prior year
- The profit guidance represents a new company record

Dividend¹ (as announced on 26 June,14)

- 5.5 cents per ordinary share dividend declared
- Represents an increase of 57% on the 2013 annual dividend
- Reflecting the strength of the expected result, a solid financial position and strong growth prospects
- Dividend will be 50% franked
- 2014 dividend record date - 3 July 2014
- 2014 dividend payment date – 26 September 2014

Capital Return

- The Company will propose a capital return of between 5c and 6c at its forthcoming 2014 AGM
- Equates to total capital return of approximately A\$1m
- All new and existing shareholders will have the right to participate in the proposed capital return

¹ The proposed dividend contains no conduit foreign income



6. Funding

Capital Raising Details



Placement

- Placement to Institutional and Sophisticated investors to raise \$8.3m
- Placement with an agreed floor price of \$3.65 per share
- Newly issued shares will rank equally with existing shares

Timing¹

- Trading Halt - Monday, 14 July 2014
- Placement book build - Monday, 14 & Tuesday, 15 July 2014
- Shares recommence trading - Wednesday, 16 July 2014
- Placement settlement date - Friday, 18 July 2014
- Placement shares allotted and commence trading – Monday, 21 July 2014

¹ Timing is indicative only



7. Conclusion

CONCLUSION



The acquisition of the Flexi-NET gaming systems business provides an opportunity to significantly increase shareholder value

Strategically significant transaction

Projected minimum circa 21% EPS accretion on a pro forma FY14e¹ basis (pre transaction and integration costs)

Strong Recurring cash flows- with 70% of Flexi-NET revenues recurring of which 100% are contracted

Increased scale in the gaming systems market, from an existing install base of 54,000 to 62,100

Flexi-NET is an independent gaming system provider in the NSW Club & Hotel market

Established product and operational cost synergies

Strong customer service focus across both organisations

Subject to necessary regulatory approvals

¹ FY14e are unaudited management accounts. Flexi-NET are IG management representations



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