



27 April 2021

BETMAKERS TECHNOLOGY GROUP LTD

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## **Q3 FY21 Quarterly Activities Report For the period ending 31 March 2021**

### **QUARTERLY HIGHLIGHTS**

- **\$5.2 million in receipts from customers for the quarter (+31% vs Q2 FY21, +206% vs Q3 FY20)**
- **Matt Tripp agrees to strategic partnership and subscription for \$25m placement**
- **Completion of \$10 million Share Purchase Plan**
- **Completion of \$50 million institutional placement**
- **\$125 million of cash as at 31 March 2021**
- **Nearing completion of acquisition of the Sportech Racing and Digital Assets**

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 FY21, the quarter ending 31 March 2021.

The Board is pleased to report a strong quarter of growth. The Company reported **\$5.2 million in receipts** from customers, which is an **increase of 31%** on Q2 FY21 cash receipts, and an **increase of 206%** on Q3 FY20 cash receipts.

As highlighted previously by the Board, the Company is focused on executing on a number of global strategic initiatives and had a historical quarter in enhancing its position for success. This was underpinned by entering into a strategic partnership with online wagering industry leader Matt Tripp, and securing an additional \$85 million in funding from existing and new investors. The Company reported in excess of \$125 million of cash as at 31 March 2021.

#### **BetMakers CEO Todd Buckingham said:**

*"We have delivered another strong performance for the quarter, demonstrating significant growth in our underlying business as the Company accelerates its strategy to capitalise on international opportunities, particularly in the US. The increase in cash receipts and revenues for the quarter was able to offset the investment into the US market along with extra costs for our acquisition."*

*"The Company is well placed with \$125m cash at bank and is on track to complete the acquisition of Sportech's Racing and Digital Assets in Q4 FY21. With our strategic partnerships, including with Matt Tripp, and our first-class team and technology assets, we believe the Company is extremely well positioned for substantial growth."*



### **STRATEGIC PARTNERSHIP WITH MATT TRIPP**

On 17 February 2021, the Company announced that it had entered into an agreement with online wagering industry leader Matt Tripp to partner exclusively with BetMakers to accelerate growth of its B2B wagering strategy.

BetMakers is engaged with a number of parties in relation to opportunities which leverage BetMakers' scalable technology and data platform. The Company believes Mr Tripp can provide assistance with these initiatives.

Tripp Investments Pty Ltd as trustee for the Tripp Investment Trust ("**Tripp**"), an entity controlled by Mr Tripp, also subscribed for \$25 million of new BetMakers shares as part of a strategic placement. This placement was approved by shareholders at an extraordinary general meeting held on 26 April 2021, with the shares to be issued to Tripp, and \$25 million in subscription funds to be paid to the Company, in the coming days.

### **COMPLETION OF \$50 MILLION STRATEGIC PLACEMENT**

In addition to the strategic placement to Tripp, the Company also undertook a \$50 million institutional placement in February 2021. This was corner-stoned by several existing, supportive institutions. All funds raised are intended to be used to accelerate growth, specifically in pursuing and executing strategic opportunities.

### **COMPLETION OF \$10 MILLION SHARE PURCHASE PLAN**

As part of the Sportech Racing and Digital assets acquisition, BetMakers completed a \$10 million Share Purchase Plan ("**SPP**"). As announced on 20 January 2021, the SPP was oversubscribed with the Company receiving applications from eligible shareholders totaling approximately \$26.3 million.

### **ACQUISITION OF SPORTECH PLC RACING AND DIGITAL ASSETS PROGRESS**

The Company entered into binding agreements to acquire Sportech's Racing and Digital assets in the United States, United Kingdom and Europe, for consideration of £30.9million (the "**Acquisition**") and received Sportech shareholder approval in December 2020 (which satisfied the last condition precedent for Sportech's benefit, required for completion of the Acquisition).

BetMakers is working with Sportech and the relevant industry regulators with the intention to ensure continued compliance during completion of the Acquisition and to finalise the necessary regulatory approvals and authorisations in relation to the licences held by the Sportech assets, being the last condition precedent to completion of the Acquisition. This process is proceeding well, with completion expected in Q4 FY21.



### **NEW JERSEY FIXED ODDS PROGRESS**

We expect the legislative process to conduct Fixed Odds betting on horse racing to progress during Q4 FY21 to the next stage of the process.

As previously announced to the market, the next step in the legislative process is for public hearings before the Senate State Government, Wagering, Tourism & Historic Preservation Committee.

The Bill is required to be approved by a majority of both the Senate and the General Assembly before it can be sent to the New Jersey Governor for his consideration and, if approved, receive his signature to become law.

#### ***BetMakers CEO Todd Buckingham said:***

*"The New Jersey legislative process has made progress and has created the pathway for Fixed Odds to come to reality in the United States. To bring Fixed Odds into the United States has been a key goal for BetMakers, and the agreements we have in New Jersey along with the progress of the legislative process in the State puts us in a strong position to pioneer this betting option, which has worked so successfully in the Australian market. With the Acquisition of Sportech's tote and digital assets, which perfectly complement BetMakers', we believe we are now well placed to capitalise on the US market and we continue to invest in this strategy to ensure this becomes a reality."*

### **OTHER COSTS INCLUDED IN QUARTER**

During the quarter, BetMakers spent approximately \$1.0 million in developing its US strategy across content, advisors and general operations along with costs associated with its acquisition.

The Company paid Directors \$140,000 for services during Q3 FY21. This included payment to the Chief Executive Officer for employment services as CEO. During the quarter, BetMakers spent approximately \$2.3 million in associated fundraising fees (as noted in items 2.1(b) and 3.4 of the attached Appendix 4C, respectively).

The Appendix 4C for the quarter ending 31 March 2021 is attached to this announcement.

\*Unless otherwise specified, all amounts are provided in AUD and on an unaudited basis.

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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 2021

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		5,202	13,060
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(1,997)	(4,673)
(c) advertising and marketing		-	(119)
(d) leased assets		(113)	(240)
(e) staff costs		(2,277)	(5,304)
(f) administration and corporate costs		(1,161)	(3,546)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		-	(17)
1.6 Income taxes paid		(9)	(25)
1.7 Government grants and tax incentives		-	584
1.8 Other (provide details if material)		(69)	(369)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(424)</b>	<b>(649)</b>

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<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(389)	(11,985)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	(226)	(335)
	(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)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(615)</b>	<b>(12,320)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	59,957	109,957
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	16	1,661
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,340)	(4,432)
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)	(317)	(921)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>57,316</b>	<b>106,265</b>

3.9 Other relates to payments made to establish a Managed Trading Services ("MTS") trading float. Contributions made are repayable upon the termination of the MTS arrangement.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	68,634	31,625
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(424)	(649)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(615)	(12,320)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	57,316	106,265
4.5	Effect of movement in exchange rates on cash held	866	856
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>125,777</b>	<b>125,777</b>

4.6 is inclusive of GBP24.72 million, converted at a GBP/AUD rate of approximately 1.81.

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	125,777	68,634
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>125,777</b>	<b>68,634</b>

**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**

140

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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**

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- 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)	(424)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	125,777
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	125,777
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>297</b>

Upon completion of the acquisition of Sportech assets, BET is due to pay the remaining consideration of GBP24.72 million. BET is holding GBP24.72 million in GBP funds to meet this funding requirement.

- 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:

As announced on 17 February 2021, the Company has undertaken a \$25 million strategic placement to Matt Tripp. This placement was approved by shareholders on 26 April 2021 and will be completed in the coming days.

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: 27 April 2021.....

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.