



15 July 2020

BETMAKERS TECHNOLOGY GROUP LTD

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Quarterly Activity Report For the period ending 30 June 2020

Highlights

- **Successfully completed \$35 million placement to fund growth initiatives**
- **Secured rights for on-course Fixed Odds in New Jersey**
- **Launched Managed Trading services during June**
- **Repaid \$4 million in outstanding debt**
- **30 June 2020 closing cash balance of \$31.6 million**
- **Waterhouse VC reaches minimum revenue threshold of \$100k in June**
- **June un-audited monthly revenues in excess of \$1 million**

The Board of BetMakers Technology Group Ltd (ASX:BET) ("BetMakers" or the "Company") is pleased to release its quarterly cash flow statement and quarterly activity report for the quarter ending 30 June 2020 ("Quarter").

Despite COVID-19 interruptions during this period, the Company had a successful Quarter:

- delivering increased receipts from customers of \$2.397 million (+40% compared to Q3 FY20);
- delivering positive operational net cash flows; and
- successfully raising \$35 million (\$33.46 million after costs) to position the Company for growth.

The Company raised \$35 million (before costs) in June 2020 by way of a placement to sophisticated and institutional investors at an issue price of \$0.37 per new fully paid ordinary share. The placement was well supported by new investors and existing shareholders. The Company intends to use the funds to accelerate its growth, including expansion into the U.S market. In addition, the Company repaid \$4 million in outstanding debt (the Company now has nil debt).

During the Quarter, the Company's wholly owned subsidiary, BetMakers DNA Pty Ltd, signed a 5-year agreement to manage Fixed Odds terminals and kiosks at Monmouth Park racetrack (as announced on 10 June 2020). The Board expects this to have a material impact on the Company's revenues, and also expects to invest approximately \$250,000 in establishing the infrastructure at Monmouth park racetrack. During the Quarter, the Company spent approximately \$75,000 on wagering hardware to be used on-course at the racetrack and an additional \$149,000 on initiatives as part of its broader U.S. growth strategy.

As announced on 27 April 2020, BetMakers signed agreements with on-course Australian bookmakers Rob Waterhouse and Mark Sampieri to provide each of them with a new technology platform and Managed Trading Services for their online businesses. During the Quarter, robwaterhouse.com was launched, growing the BetMakers' stable of platform clients to three active bookmakers. The Company spent approximately \$168,000 during the quarter on technology development and costs associated with its platform clients. The Company also has a strong pipeline of bookmakers looking to launch online and expects the number of active bookmakers powered and serviced by BetMakers to grow significantly.



The launch of the Managed Trading Services product during June delivered revenues in excess of the minimum \$100,000 required for the Class A Performance Right issued Waterhouse VC to vest. Accordingly, the Class A Performance Right will convert into Options based on the total revenue generated under the agreements between the Waterhouse Group and the Company up to 30 June 2021. Please refer to the Notice of General Meeting release on 17 April 2020 for full terms of the Performance Rights.

The Company has continued to execute on key pillars of its strategy across platform deals, content distribution and U.S. expansion. The result of these efforts is reflected in the increased quarterly receipts from customers as well as the strong finish to the financial year, with in excess of \$1 million of revenue reported for the month of June 2020 (unaudited).

The Board believes the Company is well resourced to continue its growth in the coming financial year.

The Company paid Directors \$111,000 for services during the Quarter. This included payment to the Chief Executive Officer for employment services as CEO.

During the Quarter the Company paid \$88,000 in interest in relation to the deferred acquisition payments for the DynamicOdds and Global Betting Services businesses (\$4.0million deferred, attracting 10% interest per annum, cash paid). No further interest payments are required in relation to this debt.

The Appendix 4C for the Quarter 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")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,397	7,521
1.2 Payments for		
(a) research and development	(294)	(1,176)
(b) product manufacturing and operating costs	(601)	(1,520)
(c) advertising and marketing	-	(3)
(d) leased assets	(74)	(210)
(e) staff costs	(675)	(2,904)
(f) administration and corporate costs	(660)	(2,483)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(88)	(380)
1.6 Income taxes paid	-	(8)
1.7 Government grants and tax incentives	-	627
1.8 Other (provide details if material)	-	(101)
1.9 Net cash from / (used in) operating activities	5	(637)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(112)	(221)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(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	Net cash from / (used in) investing activities	(112)	(221)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	35,000	37,760
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,540)	(1,706)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(4,000)	(4,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	29,460	32,054

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,279	453
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5	(637)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(112)	(221)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	29,460	32,054
4.5	Effect of movement in exchange rates on cash held	(7)	(24)
4.6	Cash and cash equivalents at end of period	31,625	31,625

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	31,625	2,279
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)	31,625	2,279

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**

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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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

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)	5
8.2 Cash and cash equivalents at quarter end (Item 4.6)	31,625
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	31,625
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

Note: Positive net cash from operating activities for the quarter. Therefore above estimate is not applicable.

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: .15 July 2020.....

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.