

Potential lynchpin in a global tote and fixed odds play

BetMakers Technology Group (ASX:BET) is a B2B software services business focussed on servicing the wagering market and race operators globally. The company's technology and systems are used by every racing authority in Australia and most of the major online bookmakers. BetMakers is not a gaming company, it is a technology company that is facilitating commercial opportunities for racing authorities, rights holders, and corporate bookmakers while providing an improved racing experience for punters. The company has updated the market that Q3 was on track to deliver \$5m revenue, a 25% increase on Q2 FY21; that the Sportech acquisition had progressed and was expected to complete in mid-Q4 FY21; that the Managed Trading Services business would double its clients to add four in Q4 FY21 with more in the pipeline; and that New Jersey legislation to allow fixed odds horse wagering is progressing well with increasing support being given to the legislation, paved in part by BetMaker's acquisition of Sportech which is the third largest US pari-mutuel operator. BetMakers is also reportedly (*Matthew Tripp plans to combine Tabcorp with Betmakers in \$5bn deal*, The Australian, 29 March) emerging as a key lynchpin in global tote plans being considered by new investor and strategic adviser Matthew Tripp. Our base case valuation remains at \$1.16/share, but we note that we have only included modelling for potential upside from NJ and Sportech.

Business model

BetMakers operates a SaaS style model for its Racing Data and Informatics platforms: Global Betting Services and DynamicOdds. Racing bodies and bookmakers pay a monthly recurring fee for access to the platforms with contract periods usually of 3 years' duration. Of its \$9.2m in revenue in FY20, 67% was generated under the SaaS model. BetMakers also generates revenue from the content distribution deals it has in place with international racing authorities such as US Greyhounds and US Racing and UK Greyhounds which are more aligned to share of turnover. The acquisition of Sportech will deliver additional SaaS-style revenues from its tote technology as well as a share of turnover from its tote operations. It will also establish BET as a pari-mutuel operator across 100 US racetracks, casinos and other venues in 36 states ahead of the opportunities to develop a fixed odds wagering business initially in New Jersey.

Opportunities all coming together

BET has confirmed the Sportech tote assets and digital technology are on track to be finalised mid-Q4 FY21 and that the New Jersey legislation for legalising fixed odds horse wagering is progressing. These combined with news reports that recent BET investor and strategic adviser Matthew Tripp was planning to combine BET with Tabcorp's tote assets highlight the prospect that the company is a key component for a potential global tote business. We look at the near term potential presented by the US horse wagering market with a look through from the explosive growth in the fixed odds sports betting market. Our analysis identifies that the combined US sports and race betting market size could be from US\$24b and US\$41b in gross revenues at maturity, with race betting potentially from US\$9.6b to US\$30.5b (compared to ~US\$1.5b).

Base case DCF valuation of \$1.16/share unchanged

Our base case DCF valuation of \$1.16/share remains unchanged. Our valuation incorporates the Sportech acquisition and the rollout of a fixed odds business in New Jersey. We note that there is a broader opportunity in the US, which we discuss in this report but which is not captured in our current forecasts.

Earnings History and RaaS' Estimates

Year end	Revenue(A\$m)	EBITDA(A\$m)	NPAT (A\$m)	EPS (c)	EV/Sales (x)	EV/EBITDA (x)	PER (x)
06/19a	6.8	(2.1)	(3.6)	(1.26)	63.6	na	na
06/20a	9.2	0.8	(2.1)	(0.33)	61.1	nm	na
06/21e	29.4	(0.1)	(2.6)	(0.11)	24.3	nm	nm
06/22e	83.1	9.9	4.4	0.57	9.8	72.6	nm

Source: RaaS Advisory Estimates for FY21e and FY22e, Company Data for historical earnings

Software & services

1st April 2021

Share details

ASX Code	BET
Share price (31 Mar)	\$1.04
Market Capitalisation	\$804.4M
Shares on issue	773.5M
In the money options	60.6M
Waterhouse Group options conversion	94.7M
Net cash 17 February 2021	~\$110M

Share performance (12 months)



Upside Case

- Embedded in racing clubs' integrity systems
- Strong relationships with corporate bookmakers in Australia, UK and US
- Opportunity to deliver its Managed Trading Services and GRN on a global scale

Downside Case

- Dependent on volumes, clipping a very small portion of the wager
- Sensitive to regulation
- Potential backlash from incumbent totalisers

Catalysts

- Attorney-General signs Bill for NJ fixed odds
- Demonstrated expansion in US wagering market
- Deal delivery by investor/advisor Matthew Tripp

Board of Directors

Nicholas Chan	Non-Executive Chairman
Simon Dulhunty	Non-Executive Director
Matt Davey	Non-Executive Director
Todd Buckingham	Managing Director

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*Analysts hold shares

Company update

BetMakers has provided a company update to the market with the following detail:

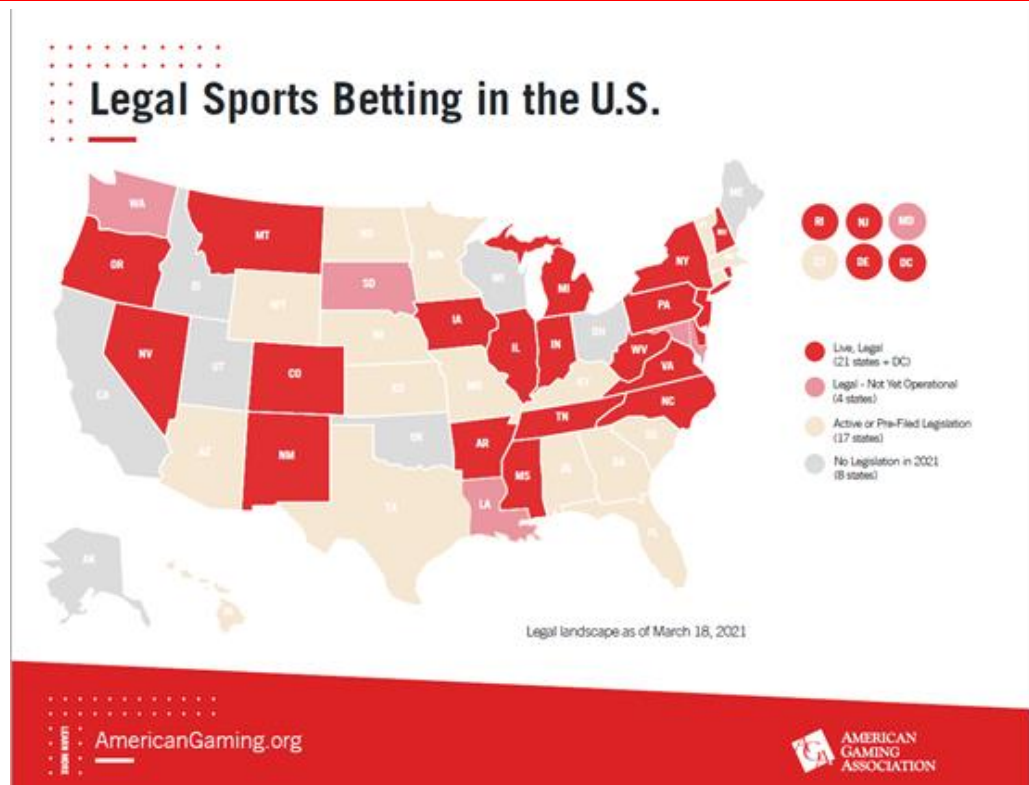
- The company is expected to generate around \$5m in revenues in Q3 FY21, an increase of 25% on Q2 FY21, with this generated predominantly from Managed Trading Services (MTS) and its integrity and data platforms. Managed Trading Services currently has four customers, with four more due to be added in Q4 FY21 and a strong pipeline for the year ahead. The MTS technology development has also advanced much faster than anticipated;
- Sportech continues to perform in line with expectations with the acquisition expected to be completed by mid-Q4 FY21. More than 40 regulatory bodies have had to sign off on the acquisition of the tote assets and digital technology. BET noted that on an annualised revenue run-rate, the combined BET/Sportech business was tracking to \$62.1m for FY21. Given Sportech will not be completed until mid Q4, only a fraction of its annualised \$46.7m in revenues will be included in the actual result;
- Progress was being made in the New Jersey fixed odds wagering legislation. It was noted that BET's acquisition of Sportech's tote assets, which include 30% of the US pari-mutuel market, is an assisting factor.

A look through from US sports betting

The opportunity

Since the abolition of PASPA, sports betting has been legalised in 21 US states, with a further 4 having passed legislation but operators still gearing up to commence. 17 other states have active or pre-filed legislation.

Exhibit 1: Legal Sports Betting in the US by State

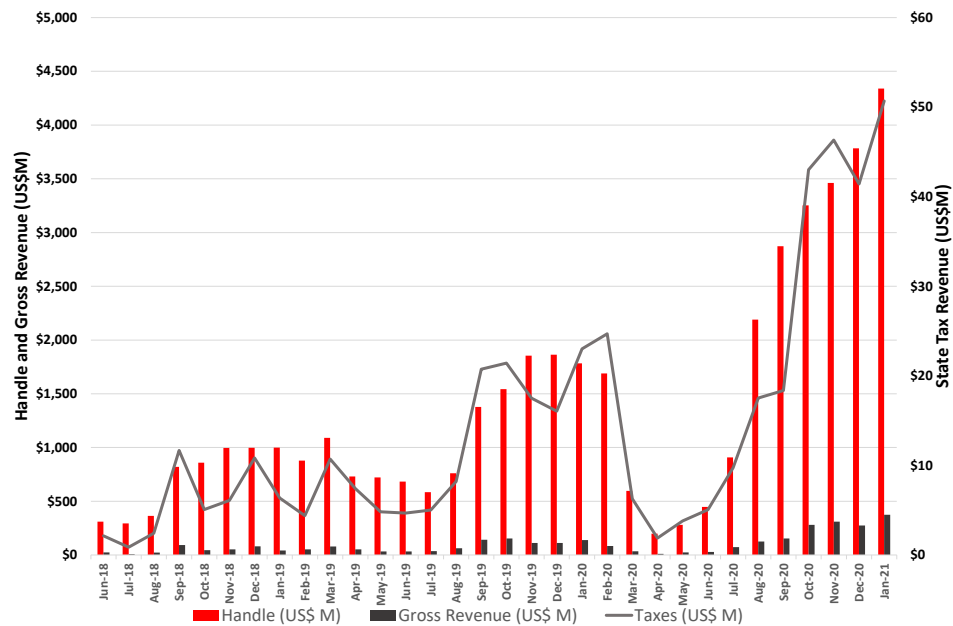


Source: American Gaming Association, Interactive Map, Sports Betting in the US

The growth of the market, despite the COVID-19 pandemic is testament to the demand for a legal, well-regulated sports gambling market. The demand recovery post the lock downs in several states also demonstrates the resilience of the customer.

Since June 2018, states have earned US\$458m in taxes from legal sports betting, despite the significant impact of the pandemic. The economic imperative to repair state economies is clear and the legalisation of sports betting is a clear route to repairing state balance sheets.

Exhibit 2: US Sports Betting Monthly Handle, Gross Revenue and State Tax Revenue



Source: <https://www.legalsportsreport.com/sports-betting/revenue/>

DraftKings recently updated investors with some estimates, where they speculate what Gross Revenues (the revenue operators earn, after winnings are paid to players) could be at full coverage. Their estimate is that the total online sports betting market in the US could be at least US\$22b in Gross Revenue at 100% legalisation.

Exhibit 3: DraftKings' estimate of the total online sports betting market at 100% legalisation

Our latest estimate of the U.S. OSB market is at least \$22B at 100% legalization

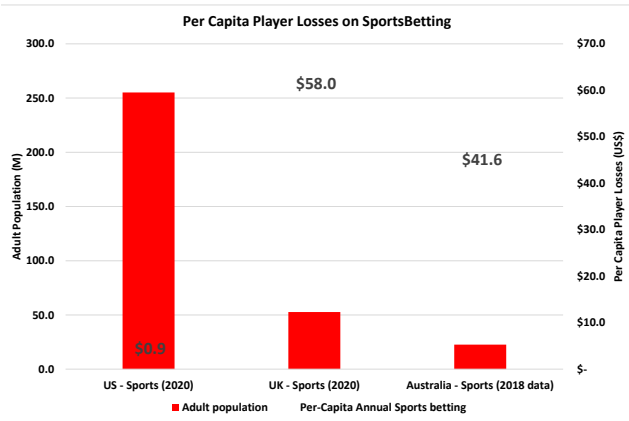


Source: DraftKings Investor Presentation, March 9, 2021, page 7

Applying UK and Australian metrics

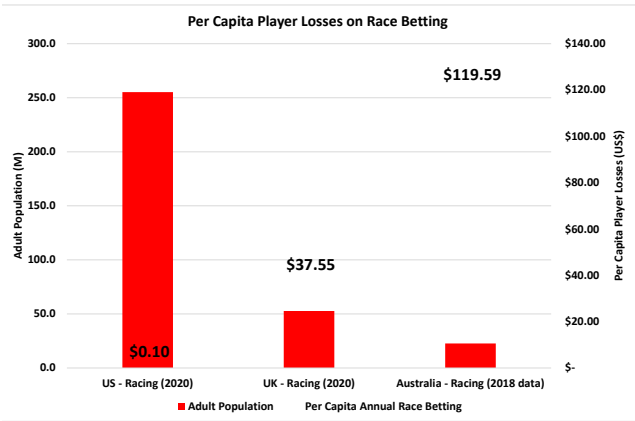
On a per-capita basis, UK adults spend US\$58 on sports betting and US\$37 on race betting each year. Australian punters spend US\$41 on sports betting and US\$119 on race betting each year. US adults spend US\$0.90 and \$0.10 on sports and race betting respectively in calendar 2020.

Exhibit 4: Per Capita Player Losses on Sports Betting by country



Source: Nevada Gaming Control Board, <https://www.legalsportsreport.com/sports-betting/revenue/>, UK Gambling Commission, QLD Treasury and Racing Australia Factbook

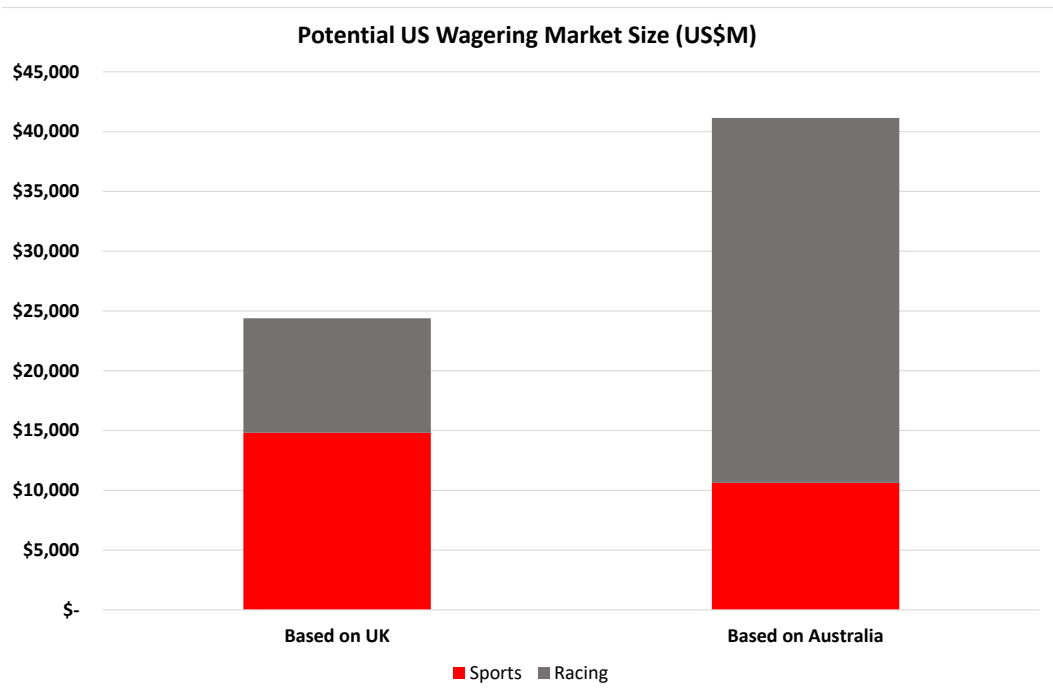
Exhibit 5: Per Capita Player Losses on Race Betting by country



Source: Nevada Gaming Control Board, <https://www.legalsportsreport.com/sports-betting/revenue/>, UK Gambling Commission, QLD Treasury and Racing Australia Factbook

Based on this spending propensity in large, legal betting markets, we think the DraftKings forecasts could prove conservative and estimate the total US Sports and Race betting market size could be between US\$24b to \$41b in Gross Revenues at maturity. Within this analysis, gross revenues from race betting could range from US\$9.6b to US\$30.5b.

Exhibit 6: Potential US wagering market size based on the UK and Australian experience



Source: Owen Gaming Research

While fixed odds betting on sports is leading the charge, regulators have yet to enable fixed odds betting on horse racing. The first state to contemplate doing so in New Jersey, however legislation is yet to pass. BET is

hopeful of an outcome over the next few months. While NJ has approved a fixed odds pilot program, the full benefits of legalisation are most evident when full coverage of all race meetings is permitted.

The rationale for states legislating to allow legal race wagering is compelling. In the sports market, as noted above, US\$458m of tax revenue has been earned since June 2018., as states have progressively enabled legal sports betting.

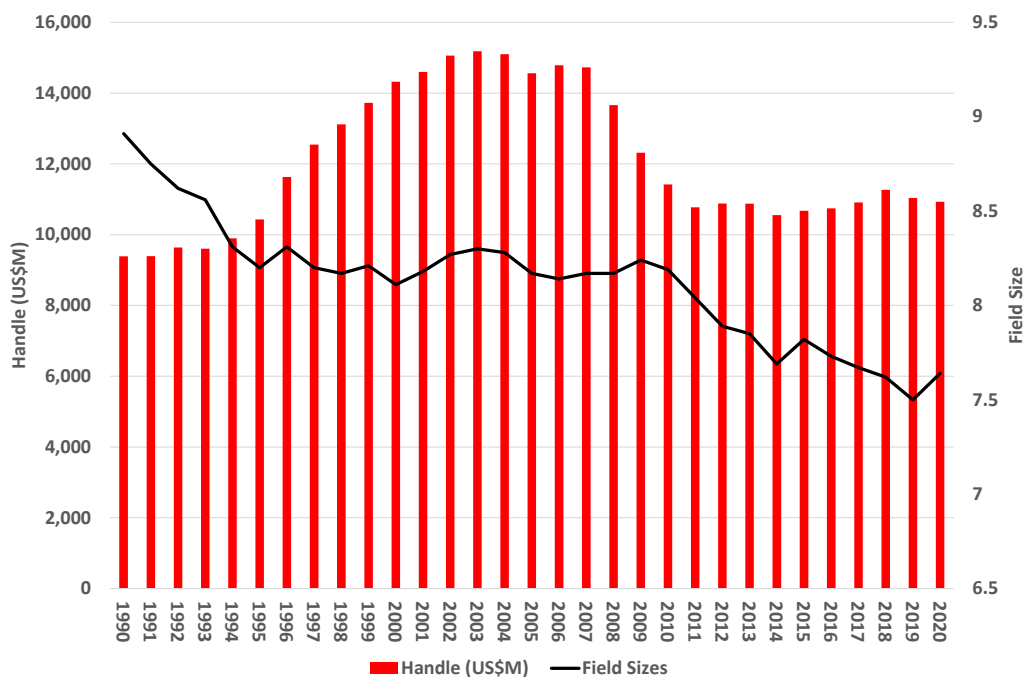
US racing industry – desperate for a financial lifeline

The arrangements that BET strikes with race clubs see 3-4% of handle being taken, with this shared between the racetrack and BET. This revenue is all incremental to current industry earnings. Based on 2019 (pre Covid) turnover of US\$11bn, a 4% turnover fee (shared with BET) would see industry revenues of US\$441m.

The US racing industry has been in structural decline for many years. The industry is very fragmented, and prize money per race is poor. The key to a healthy racing industry is increased funding to incentivise breeders and owners and to be able to market and promote the sport.

Thoroughbred racing has suffered from falling turnover since 2007, and field sizes over the past 30 years.

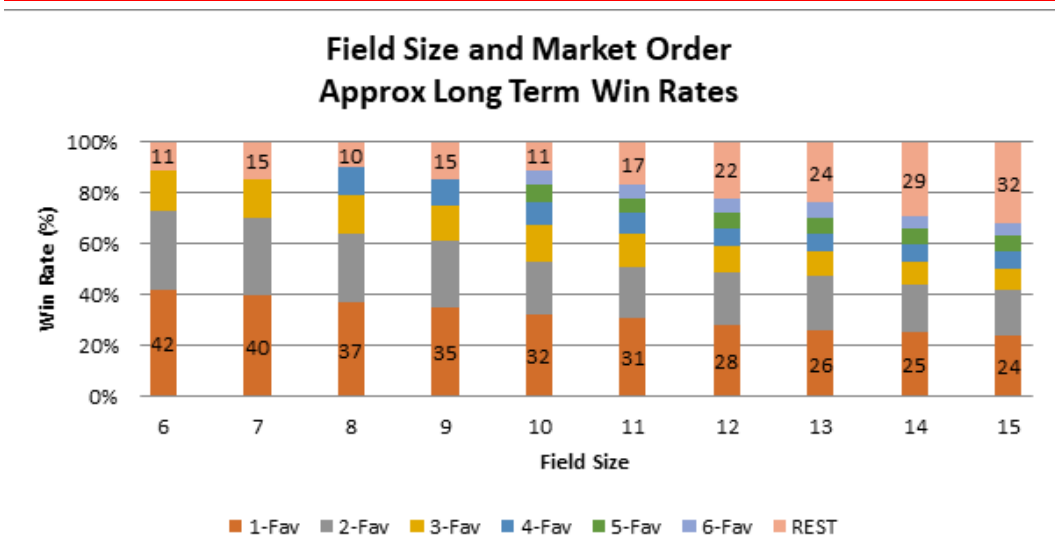
Exhibit 7: US Thoroughbred Racing: Handle and Field Size, 1990-2020



Source: US Jockey Club

Falling field sizes are diabolic for race wagering handle. The smaller the field, the greater the probability that the favourite will win, and thus the less appealing the race is to keen punters, as pricing reflects the weight of the favourite in a small field. Research undertaken on Australian racing over a long period has demonstrated that as the number of runners reduces, the appeal of the race is reduced, as the payout is more limited on the favourite relative to the long shot.

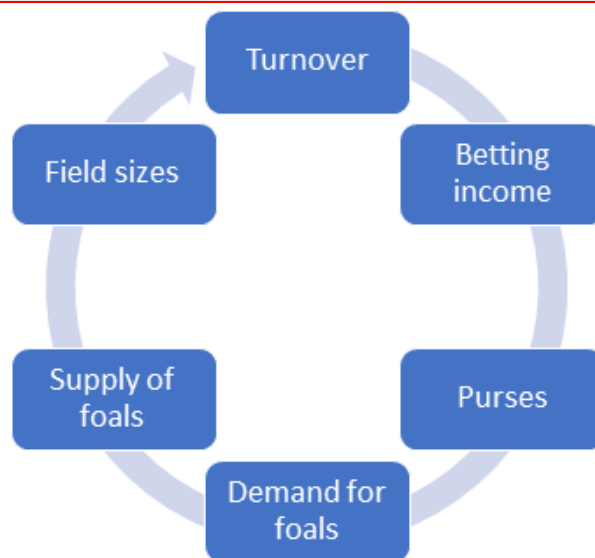
Exhibit 8: Field Size and Market Order Approximate Long Term Win Rates



Source: A Theory of Thoroughbred Racing: The Origin, structure and function of racetrack markets, Joseph Keating, 2004

Increased field sizes lead to improved betting turnover, generating more ability to increase purses, creating more incentive for owners and breeders to invest in quality breeding, increasing the number and quality of foals for racing.

Exhibit 9: The Virtuous Circle of Increased Turnover



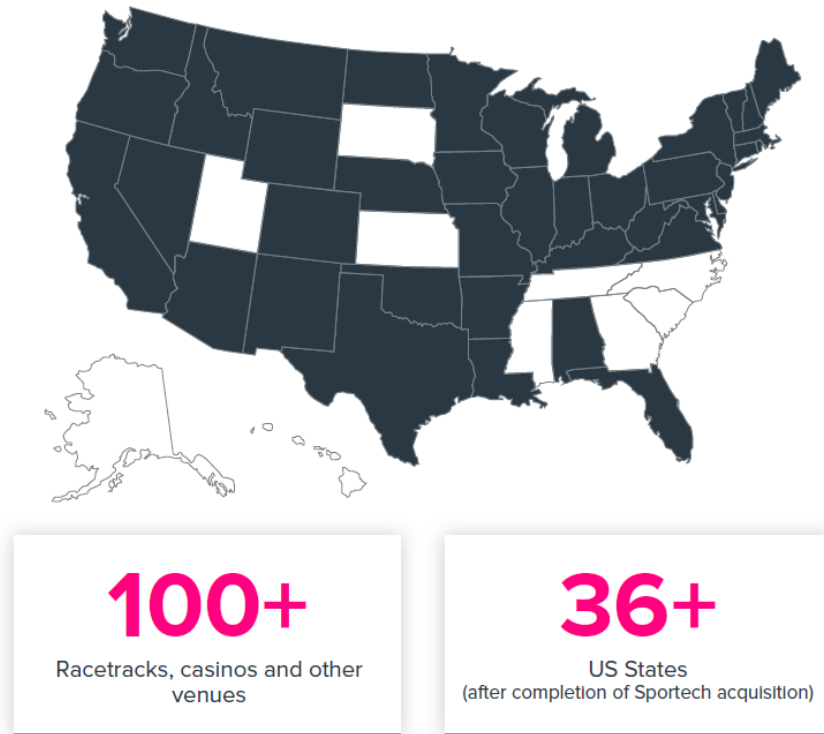
Source: Owen Gaming Research

BetMakers' exposure to the US race betting industry

The Sportech acquisition delivers BetMakers with a significant presence across racetracks, casinos and other venues in 36 states across the US. Currently US\$12b is processed by Sportech's Quantum tote engine annually, making it the third largest tote operator in the US. On completion of the acquisition, the company will be able to distribute racing content, including betting markets, data and vision, to more than 100 customers in 36 states in the US and more than 30 countries globally. This positions the company with a presence before the commencement of fixed odds wagering in the US. As we have previously highlighted, we have incorporated the Sportech business as it stands today into our forecasts without stretch-testing

forecasts under the new management. We also have only incorporated the New Jersey fixed odds wagering opportunity given it is the only state currently progressing legislation.

Exhibit 10: US exposure delivered by Sportech



Source: BetMakers Technology Group March Presentation, Page 11

Base Case DCF valuation is \$1.16/share

We believe the discounted cashflow methodology is the most appropriate method to value BET, given the relatively early stage of the company’s life. We arrive at a base case valuation of \$1.16 after applying a WACC of 11.4% and terminal growth rate of 2.2% to our base case free cashflows. The terminal value accounts for \$0.77/share of our valuation.

Exhibit 11: Base Case DCF valuation

	Parameters
Discount rate (WACC)	11.4%
Terminal Growth Rate	2.2%
Beta	1.6
Present value of free cashflows (\$m)	263.5
Terminal value (\$m)	520.3
Plus Net Cash at 17 February (post Matt Tripp placement)	(110.0)
Equity value (\$m)	893.7
Shares on issue	773.5
Equity value per share	\$1.16

Source: RaaS estimates

Exhibit 12: Financial Summary

BetMakers Technology Group Ltd (BET)						Share price (31 March 2021)						A\$	1.04						
Profit and Loss (A\$m)						Interim (A\$m)						H119A	H219A	H120F	H220A	H121F	H221F		
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Revenue	3.0	3.8	4.3	4.9	7.6	21.9	Gross profit	1.6	3.0	3.6	3.1	4.0	15.1
Sales revenue	12.7	6.2	8.6	29.4	83.1	EBITDA	(1.9)	(0.1)	0.3	0.3	(1.7)	1.6	EBIT	(2.1)	(1.7)	(0.4)	(0.8)	(2.8)	0.5
Total Revenue	17.8	6.8	9.2	29.4	83.1	NPAT (normalised)	(1.5)	(1.4)	(0.6)	(0.9)	(1.4)	0.8	Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Gross Profit	1.6	3.9	6.3	19.1	64.4	NPAT (reported)	(1.8)	(1.8)	(0.6)	(1.5)	(4.4)	0.8	EPS (normalised)	(0.9)	(0.4)	(0.1)	(0.3)	(0.8)	0.1
EBITDA	0.5	(2.1)	0.8	(0.1)	9.9	EPS (reported)	(0.9)	(0.4)	(0.1)	(0.3)	(0.8)	0.1	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0
Depn	(0.2)	(0.2)	(0.3)	(0.2)	(1.2)	Imputation	30.0	30.0	30.0	30.0	30.0	30.0	Operating cash flow	(2.8)	(0.3)	(0.2)	(0.3)	(1.3)	(4.3)
Amort	(0.2)	(1.6)	(1.9)	(2.0)	(4.0)	Operating cash flow	(2.8)	(0.3)	(0.3)	(0.4)	(1.4)	(4.6)	Free Cash flow	(2.8)	(0.3)	(0.3)	(0.4)	(1.4)	(4.6)
EBIT	0.2	(3.9)	(1.3)	(4.4)	4.7	Divisions	H119A	H219A	H120F	H220A	H121F	H221F	Wholesale Wagering	2.6	3.1	3.2	3.2	5.8	19.9
Interest	0.0	(0.0)	(0.5)	0.6	1.6	Content & Integrity	0.2	0.3	0.9	1.4	1.8	1.9	Other income	0.3	0.4	0.0	0.3	0.0	0.0
Tax	(0.5)	1.0	0.3	1.2	(1.9)	Total Revenue	3.0	3.8	4.0	4.9	7.6	21.9	COGS	1.4	0.8	0.4	1.8	3.6	6.7
Minorities	0.0	0.0	0.0	0.0	0.0	Gross Profit	1.6	3.0	3.6	3.1	4.0	15.1	Employment costs	1.8	1.6	2.0	2.1	3.3	10.0
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Selling General & Admin Costs	1.6	1.6	1.3	0.6	1.3	2.0	Other Opex	0.1	(0.0)	0.0	0.0	1.1	1.6
NPAT pre significant items	(0.3)	(2.9)	(1.5)	(2.6)	4.4	Total Operating Costs	3.5	3.1	3.3	2.8	5.7	13.6	EBITDA	(1.9)	(0.1)	0.3	0.3	(1.7)	1.6
Significant items	(5.7)	(0.7)	(0.6)	0.0	0.0	Margins, Leverage, Returns	FY18A	FY19A	FY20A	FY21F	FY22F	EBITDA	n/a	(30.5%)	9.1%	(0.3%)	11.9%		
NPAT (reported)	(6.0)	(3.6)	(2.1)	(2.6)	4.4	EBITDA	n/a	(56.9%)	(14.3%)	(14.8%)	5.7%	EBIT	n/a	(42.7%)	(16.5%)	(8.7%)	5.3%		
Cash flow (A\$m)	FY18A	FY19A	FY20A	FY21F	FY22F	NPAT pre significant items	n/a	(42.7%)	(16.5%)	(8.7%)	5.3%	Net Debt (Cash)	1.5	(3.5)	31.3	88.2	85.8		
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Net debt/EBITDA (x)	(x)	2.692	n/a	37.543	n/a	8.698	ND/ND+Equity (%)	(%)	n/a	15.6%	(107.4%)	(86.0%)	(77.9%)
EBITDA	0.5	(2.1)	0.8	(0.1)	9.9	EBIT interest cover (x)	(x)	(0.2)	n/a	n/a	n/a	0.3	ROA	n/a	(16.7%)	(2.8%)	(3.4%)	2.4%	
Interest	0.1	(0.0)	(0.4)	0.6	1.6	ROE			(22.6%)	(5.4%)	(2.0%)	2.3%	ROIC	1.1%	(49.2%)	(3.0%)	(2.5%)	2.6%	
Tax	0.0	(0.1)	(0.0)	(0.4)	(1.9)	NTA (per share)		0.07	0.01	0.08	0.23	0.21	Working capital	2.6	0.1	0.7	1.2	3.9	
Working capital changes	(12.0)	(0.9)	(1.0)	(5.8)	(11.4)	WC/Sales (%)		14.8%	1.3%	7.8%	3.9%	4.7%	Revenue growth	n/a	(61.6%)	34.4%	221.3%	182.2%	
Operating cash flow	(11.4)	(3.1)	(0.5)	(5.6)	(1.8)	EBIT growth pa		n/a	n/a	n/a	n/a	(208.3%)	EBIT growth pa		n/a	n/a	n/a	n/a	(208.3%)
Mtce capex	0.0	(0.0)	(0.2)	(0.4)	(1.3)	Pricing	FY18A	FY19A	FY20A	FY21F	FY22F	No of shares (y/e)	(m)	162	413	568	773	868	
Free cash flow	(11.4)	(3.1)	(0.7)	(6.0)	(3.1)	No of shares (y/e)	(m)	162	413	568	773	868	Weighted Av Dil Shares	(m)	162	232	457	690	773
Growth capex	(0.1)	0.0	(0.0)	(2.5)	(5.0)	EPS Reported	cps	(3.68)	(1.55)	(0.47)	(0.64)	0.57	EPS Normalised/Diluted	cps	(0.19)	(1.26)	(0.33)	(0.11)	0.57
Acquisitions/Disposals	0.3	(5.8)	0.0	(67.2)	0.0	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	-604%	DPS	cps	-	-	-	-	-
Other	(0.2)	(0.9)	0.0	0.0	0.0	DPS	cps	-	-	-	-	-	DPS Growth		n/a	n/a	n/a	n/a	n/a
Cash flow pre financing	(11.3)	(9.8)	(0.7)	(75.7)	(8.1)	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	Dividend imputation		30	30	30	30	30
Equity	10.1	9.1	37.8	132.4	0.7	PE (x)		-	-	-	-	181.8	PE market		18.2	18.2	18.2	18.2	18.2
Debt	0.0	(0.3)	0.0	1.0	2.0	PE market		18.2	18.2	18.2	18.2	18.2	Premium/(discount)			(100.0%)	(100.0%)	(100.0%)	898.8%
Dividends paid	0.0	0.0	(0.2)	(0.1)	0.0	Premium/(discount)			(100.0%)	(100.0%)	(100.0%)	898.8%	EV/EBITDA		309.2	(208.3)	672.2	(8,011.6)	82.9
Net cash flow for year	(1.3)	(1.0)	36.9	57.6	(5.4)	EV/EBITDA		309.2	(208.3)	672.2	(8,011.6)	82.9	FCF/Share	cps	(7.0)	(0.7)	(0.1)	(0.7)	(0.1)
Balance sheet (A\$m)	FY18A	FY19A	FY20A	FY21F	FY22F	Price/FCF share		(14.8)	(140.7)	(1,856.2)	(154.9)	(1,614.5)	Free Cash flow Yield		(6.8%)	(0.7%)	(0.1%)	(0.6%)	(0.1%)
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Free Cash flow Yield		(6.8%)	(0.7%)	(0.1%)	(0.6%)	(0.1%)							
Cash	1.5	0.5	31.6	89.6	89.2														
Accounts receivable	5.4	1.2	2.0	1.8	5.1														
Inventory	0.0	0.0	0.0	0.0	0.0														
Other current assets	0.1	0.1	0.1	11.3	11.3														
Total current assets	7.0	1.8	33.7	102.7	105.6														
PPE	0.3	0.2	0.2	39.9	40.0														
Intangibles inc Goodwill	2.0	14.5	14.5	14.5	14.5														
Investments	0.0	0.0	0.0	0.0	0.0														
Deferred tax asset	5.4	6.5	7.3	9.5	9.5														
Other assets	1.3	7.7	6.9	27.0	31.8														
Total non current assets	9.0	28.8	28.9	90.8	95.6														
Total Assets	15.9	30.6	62.6	193.5	201.2														
Accounts payable	2.8	1.2	1.3	0.6	1.2														
Short term debt	0.0	0.0	0.0	0.0	0.0														
Tax payable	0.0	0.0	0.0	0.0	0.0														
Other current liabilities	0.3	6.2	0.4	0.6	0.6														
Total current liabilities	3.1	7.4	1.7	1.2	1.7														
Long term debt	0.0	4.0	0.4	1.4	3.4														
Other non current liabs	0.1	0.1	0.2	0.2	0.2														
Total long term liabilities	0.1	4.1	0.5	1.6	3.6														
Total Liabilities	3.2	11.4	2.2	2.8	5.3														
Net Assets	12.7	19.2	60.4	190.7	195.9														
Share capital	32.5	42.4	84.9	216.7	217.4														
Accumulated profits/losses	(21.2)	(24.0)	(26.1)	(29.8)	(25.3)														
Reserves	1.4	0.7	1.6	3.8	3.8														
Minorities	0.0	0.0	0.0	0.0	0.0														
Total Shareholder funds	12.7	19.2	60.4	190.7	195.9														

Source: RaaS Advisory



FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

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Corporate Authorised Representative, number 1248415

of

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Effective Date: 26th November 2018



About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

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RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
 - Securities
- deal on behalf of retail and wholesale clients in relation to
 - Securities

The distribution of this FSG by RaaS is authorized by BR.

Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

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Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

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