

# BetMakers Technology Group Ltd

Update note

## Racing still on, upgrading for advance into US fixed odds

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. We have incorporated in our forecasts new estimates for earnings from the recently announced exclusive agreement for New Jersey's fixed odds wagering, for the JV with Tom Waterhouse and an acceleration of on-course bookmakers converting to Price Manager and BET's white label online platform. While sports betting globally has been impacted by sporting codes halting their seasons due to COVID-19, many racing clubs continue to operate without on-course patrons. Hence our view that on-course bookmakers will be forced to seek online solutions. BET has confirmed today that cancellation of events had resulted in increased demand from existing and new wagering clients for additional content from BET's Global Racing Network. Our forecasts have been adjusted to reflect our expectation that BET will invest in developing these new ventures near term but upgraded for longer term earnings upside. Our base case DCF valuation using a WACC of 15.0% (previously 14% and due to ERM increasing to 7.0% from 6.5%) is \$0.30/share with 47.0% in the terminal value.

### 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. We estimate that 80% of FY19's \$6.2m in revenue 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. Over time we expect the SaaS revenue share to average ~60% as the company expands its racing data and informatics platforms and new integrity platforms in both Australia and offshore.

### Upgrading forecasts for NJ fixed odds deal/Tom Waterhouse

We have incorporated estimates in our model for the recently struck exclusive New Jersey fixed odds racing deal and the JV with Tom Waterhouse to provide bookmakers with leads for new accounts. We have also accelerated our forecasts for small on-course bookmakers to adopt Platform and Trading services resulting in an increase in SaaS revenue for BET. **It is important to note that these are RaaS's forecasts, not the company's, and are based on our assessment of how these segments should grow, having given regard to the way in which US fixed odds sports betting has grown since introduced 20 months ago.**

### DCF valuation is \$0.30/share fully diluted

Our DCF valuation has increased to \$0.30/share (previously \$0.21/share) on the back of our longer-term upgrade. The WACC has increased to 15.0% (previously 14.0%) entirely due to an increased Equity Risk Premium to 7.0% (previously 6.5%), which we are applying across our universe. In our view, BET is well placed both from a market position and cash position, to ride this current volatility. Recent share purchases by the company's largest shareholder, Tekkorp, (now 21.1%) should help underpin investor confidence.

#### 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)	5.86	na	na
06/20e	9.9	0.5	(1.6)	(0.32)	4.48	nm	na
06/21e	20.7	6.8	1.6	0.62	1.96	6.01	14.2
06/22e	31.3	13.6	8.5	1.60	1.03	3.00	5.5

Source: RaaS Advisory Estimates, Company Data

## Software services

26<sup>th</sup> March 2020

### Share details

ASX Code	BET
Share price (intraday)	\$0.094
Market Capitalisation	\$41.7M
Shares on issue	473M
In the money options	56.5M
Enterprise value	\$43.1M
Net debt 31 December	\$1.4M

### Share performance (12 months)



### Upside Case

- Embedded in the racing clubs' integrity systems
- Strong relationships with corporate bookmakers in both Australia and UK
- Opportunity to leverage relationships to develop its Global Racing Network and the Global Tote

### Downside Case

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

### Catalysts

- Delivery on FY20 guidance of \$10m net revenue
- Continued evidence that the Global Tote and GRN are being adopted by corporate bookmakers/ racing authorities
- Demonstrated expansion in US wagering market

### Board of Directors

Nicholas Chan	Non-Executive Chairman
Simon Dulhanty	Non-Executive Director
Todd Buckingham	Managing Director

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### RaaS Advisory contacts

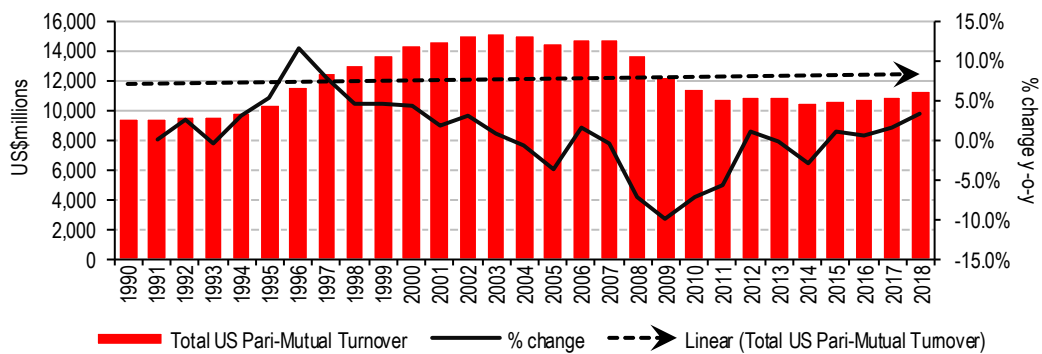
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\*Analyst holds shares

## US fixed odds opportunity

BET announced in February that it had signed a 10-year exclusive deal to deliver and manage Fixed Odds horse racing in New Jersey along with exclusive distribution of Monmouth Park racing content throughout other parts of the US and internationally. The deal is the first Fixed Odds agreement for horse racing struck in the US. Until now, the US horse-racing has been solely pari-mutuel (or tote) with an annual handle of around US\$11.7b, which has been drifting sideways for a number of years. We highlighted this trend in our initiation report of last September [Embedded in the DNA of Racing](#), but again provide this in Exhibit 1 below.

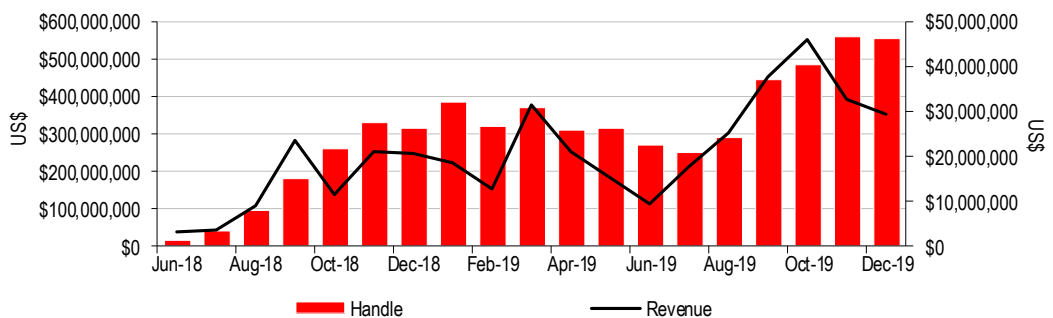
**Exhibit 1: US Pari-Mutuel Handle (US\$M) and percentage change on prior year**



Source: Equibase Company LLC, CHRIMS (Comprehensive Horse Racing Information Management Systems)

The opportunity now is for the US to replicate the development of the Australian Fixed Odds horse betting market which has grown from \$2.8b in 2004 to \$15.7b in 2019, with bookmakers accounting for \$11.1b of the 2019 turnover. New Jersey has been one of the pioneers for Fixed Odds sports betting in the US. The state's sports betting handle in CY 2019 was more than US\$5.2b in a total US handle of US\$15.8b. Only Nevada recorded a higher handle last year. As exhibit 2 below demonstrates, the monthly handle and revenue generated by New Jersey's sports betting market since inception in June 2018 has been marked. We would expect a similar trajectory for fixed odds horse wagering.

**Exhibit 2: Monthly handle and revenue of New Jersey's sports fixed odds market**



Source: New Jersey government <https://www.nj.gov/oag/ge/swrtaxreturns.html>

There are 17 online bookmakers in New Jersey and most of these operate across several other states. We expect that over time, all these bookmakers will engage with BET to use its data and price manager platform for fixed odds betting. Below is a list of these bookmakers:

888 Sport, Bet America, Bet Stars, Bet365, Betfair, Caesars, Draftkings, Fanduel, Fox Bet, Hard Rock, MGM International, Pointsbet, Resorts, Sugarhouse, The Score, Unibet, William Hill.

## Betmakers' Update on COVID-19

BET has announced today that COVID-19 to date has had no impact on the company's B2B wagering technology business; that there had been no loss of customers or contracts. The company also confirmed that it had seen an increase in demand from both existing and new wagering clients for additional content through the Global Racing Network (GRN). BET noted it had a strong balance sheet with cash in excess of \$2m. The company said its previous guidance of \$10m in annual revenue is expected to be impacted should the Australian racing industry be shut down between now and the end of FY20. However, this should only impact on Q4 FY20 growth rather than existing contracted recurring revenues. BET noted that even if all Australian racing were to be stopped temporarily during FY20, it still expected to deliver positive normalised EBITDA for the period. BET also believes it will not be required to raise any further capital to manage through the COVID-19 period of disruption. The company's update concurs with our view that its business model and operational performance is well placed to weather the challenges being presented by COVID-19. We discuss this below.

## Near term opportunity presented by COVID-19

The COVID-19 outbreak has forced many sporting codes to delay or cancel their sporting seasons, leaving sports bookmakers with very little content to offer to punters. While this is a minute by minute proposition both in Australia and internationally, BetMakers has content deals with racing authorities, racing associations and track operators in several countries, enabling it to deliver racing content to bookmakers where horse, greyhound and harness racing is still operating. On the following page we list the racetracks still operating at the time of writing.

The shift in both the US and Australia to operating races without spectators should also encourage on-course bookmakers (in Australia there are 433 on-course bookmakers) to engage with BET to set up their online presence. BET recently announced (February 12) that Victorian on-course bookmaker Noah Rose had engaged BET's end to end white label technology platform for BetDeluxe and highlighted in that announcement that NSW's bookmaker BBet had experienced triple digit growth in its business since going on BET's platform in 2019. While COVID-19 might cause some short-term delays in SaaS revenues, we expect the trend to online bookmaking to continue.

### Exhibit 3: Racetracks operating or cancelled

US Tracks racing but without spectators	US Track cancellations	Australian Tracks racing without spectators through to April 11 2020*	International Racing operating	International Racing cancelled
Aqueduct	Buffalo Raceway (until May 2)	Flemington	Hong Kong	United Kingdom
Cal Expo	Carolina Cup (March 28)	Caulfield	Mexico	
Fair Grounds	Dover Downs (until further notice)	Randwick	Japan	South Korea
Golden Gate Fields	Evangeline Downs (opening day of April 8 postponed)	Rosehill Gardens		
Gulfstream Park	Fairmount Park (cancelling Saturdays but racing on Tuesdays)	Doomben		India (Indefinitely)
Hawthorne	Freehold (through March 21)	Eagle Farm		
Laurel Park	Hawthorne (through March 30)	Ascot		Uruguay
Los Alamitos	Hoosier (opening day of March 27 postponed)	Moonee Valley		
Miami Valley	Keeneland (entire Spring Meet cancelled)	Bendigo		France (Until April 15th)
Northfield Park	Louisiana Downs (until further notice)	Morphettville		
Oaklawn Park	Mahoning Valley	Sandown Hillside		
Pompano	The Meadowslands (until further notice)	Wangeratta		
Rosecroft Raceway	The Meadows (until further notice)	Sunshine Coast		Dubai World Cup postponed
Sam Houston	Monmouth Park (opening day postponed to May 23)	Warwick Farm		
Santa Anita	Monticello (through March 30)	Launceston		Ireland
Saratoga harness	Northville Downs (opening day of March 20 postponed indefinitely)	Sunshine Coast		
Tampa Bay Downs	Palm Beach (until further notice)	Strathalbyn		New Zealand
Turfway Park	Parx Racing (until further notice)	Rockhampton		
Woodbine Mohawk Park	Penn National (until further notice)	Toowoomba		South Africa
	Pocono (March 14-16)	Marromine		
	Rillito Park (rest of scheduled meet cancelled)	Kilmoore		Kentucky Derby delayed until Sept
		Gold Coast		
		Kalgoorlie		
		Mount Isa		
		Wagga		
		Mackay		
		Grafton		
		Mornington		
	Suffolk Downs (until April 2)			
	Sunland Park (through April 5; Sunland Derby cancelled)			
	Turf Paradise (rest of scheduled meet cancelled)			
	Yonkers (through March 28)			

Source: Various club and association websites, RaaS's analysis \*Racing in Victoria, New South Wales and Western Australia halted on March 25 to test a jockey potentially exposed to COVID-19 with news reports that the industry was hopeful of resuming on Friday March 27

## Earnings upgrade

We have incorporated the H1FY20 results in our forecasts and made some assumptions in relation to the opportunity in the New Jersey fixed odds wagering market, the recently announced Tom Waterhouse venture and our expectation that more on-course bookmakers in Australia will accelerate the move to online using BET's white labelled platform. **For the avoidance of any doubt please note that these are RaaS's forecasts, not the company's and the fact that company engages RaaS to produce research on it is not an endorsement of our forecasts nor should it be construed as company guidance.**

Key assumptions used in our forecasts are as follows:

- We have lifted our penetration expectations for BET to secure the long-tail of on course bookmakers as customers from 5% to 10% by 2029 (ie 28 to 45 bookmakers);
- We have incorporated our expectation that from H1 FY21 to H2 FY26, BET will secure all 17 bookmakers operating in NJ as SaaS customers paying US\$50,000 per month to be on the platform;

- We estimate that by FY29, 45% of Tom Waterhouse's current 80,000 subscribers (which we expect to grow over time) will take up an account with an online bookmaker, delivering net revenue per lead of \$100 to BET;
- We have incorporated our expectation that BET will accelerate development of the Global Racing Network with its expansion into the US. This delivers an opportunity for the company to revenue share with racing authorities and racetracks on content delivered to bookmakers globally.
- We have also substantially increased our cost expectations, in particular employment costs both in Sri Lanka, Australia and internationally to both increase product development and sales development. Some of these costs we expect to be incurred in H2 FY20 and H1 FY21.

The impact on our forecasts is set out in the following table.

<b>Exhibit 4: Earnings forecasts revision</b>						
Period ending June 30	FY20 old	FY20 new	FY21 old	FY21 new	FY22 old	FY22 new
Sales	11.3	9.6	18.4	20.7	24.2	31.3
Total Revenue	11.6	9.9	18.4	20.7	24.2	31.3
EBITDA Adj	3.1	0.5	7.3	6.8	10.5	13.6
EBIT Adj	0.9	(1.8)	3.9	3.3	9.3	12.4
NPAT Adj	0.2	(1.6)	2.0	1.6	6.4	8.5
NPAT reported	0.2	(1.6)	2.0	1.6	6.4	8.5
EPS Adj	0.06	(0.3)	0.78	0.62	1.35	1.60

Source: RaaS estimates

## DCF of \$0.30/share fully diluted

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 \$0.30/share (previously \$0.21/share) after applying a WACC of 15.0% (previously 14.0%), beta of 2.0, and terminal growth rate of 2.2% to our base case free cashflows. This derives a valuation of \$0.30 per share, fully diluted for in the money options. Of the 63.5m options on issue, 56.5m are currently in the money, with expiry dates predominantly in 2022. The terminal value accounts for \$0.14/share of our valuation.

We set out the DCF valuation in the following exhibit.

<b>Exhibit 5: DCF valuation</b>	
	Parameters
Discount rate (WACC)	15.0%
Terminal Growth Rate	2.2%
Beta	2.0
Present value of free cashflows (\$m)	85.4
Terminal value (\$m)	75.8
Less Net Debt December 31 (\$m)	1.4
Equity value (\$m)	159.8
Fully diluted shares (inc in the money options)	530.0
Equity value per share	\$ 0.30

Source: RaaS estimates

**Exhibit 6: Financial Summary**

BetMakers Technology Group Ltd (BET)						Share price (25 March 2020)						A\$ 0.09	
Profit and Loss (A\$m)						Interim (A\$m)							
Y/E 30 June	FY18A	FY19A	FY20F	FY21F	FY22F	H119A	H219A	H120F	H220F	H121F	H221F		
Sales revenue	12.7	6.2	9.6	20.7	31.3	Revenue	3.0	3.8	4.3	5.6	9.1	11.6	
Total Revenue	17.8	6.8	9.9	20.7	31.3	EBITDA	(1.9)	(0.1)	0.6	(0.1)	2.5	4.2	
EBITDA	0.5	(2.1)	0.5	6.8	13.6	EBIT	(2.1)	(1.7)	(0.4)	(1.3)	1.6	3.4	
Depn	(0.2)	(0.2)	(0.1)	(0.0)	(0.0)	NPAT (normalised)	(1.5)	(1.4)	(0.6)	(1.0)	1.0	2.3	
Amort	(0.2)	(1.6)	(2.1)	(1.7)	(1.2)	Minorities	0.0	0.0	0.0	0.0	0.0	0.0	
EBIT	0.2	(3.9)	(1.8)	3.3	12.4	NPAT (reported)	(1.8)	(1.8)	(0.6)	(1.0)	1.0	2.3	
Interest	0.0	(0.0)	(0.4)	(0.4)	(0.3)	EPS (normalised)	(0.9)	(0.4)	(0.1)	(0.2)	0.2	0.5	
Tax	(0.5)	1.0	0.5	(1.4)	(3.6)	EPS (reported)	(0.9)	(0.4)	(0.1)	(0.2)	0.2	0.5	
Minorities	0.0	0.0	0.0	0.0	0.0	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0	
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Imputation	30.0	30.0	30.0	30.0	30.0	30.0	
NPAT pre significant items	(0.3)	(2.9)	(1.6)	1.6	8.5	Operating cash flow	(2.8)	(0.3)	(0.2)	(1.2)	1.4	2.2	
Significant items	(5.7)	(0.7)	0.0	0.0	0.0	Free Cash flow	(2.8)	(0.3)	(0.3)	(1.2)	1.4	2.2	
<b>NPAT (reported)</b>	<b>(6.0)</b>	<b>(3.6)</b>	<b>(1.6)</b>	<b>1.6</b>	<b>8.5</b>	<b>Divisions</b>	<b>H119A</b>	<b>H219A</b>	<b>H120F</b>	<b>H220F</b>	<b>H121F</b>	<b>H221F</b>	
<b>Cash flow (A\$m)</b>						Wholesale Wagering	2.6	3.1	3.2	4.1	6.5	7.9	
Y/E 30 June	FY18A	FY19A	FY20F	FY21F	FY22F	Content & Integrity	0.2	0.3	0.9	1.5	2.6	3.7	
EBITDA	0.5	(2.1)	0.5	6.8	13.6	Other income	0.3	0.4	0.0	0.0	0.0	0.0	
Interest	0.1	(0.0)	(0.4)	(0.4)	(0.3)	Total Revenue	3.0	3.8	4.0	5.6	9.1	11.6	
Tax	0.0	(0.1)	(0.0)	(1.4)	(3.6)	COGS	1.4	0.8	0.4	1.7	2.1	2.5	
Working capital changes	(12.0)	(0.9)	(1.5)	(1.4)	(1.4)	Gross Profit	1.6	3.0	3.6	3.8	7.0	9.1	
Operating cash flow	(11.4)	(3.1)	(1.4)	3.6	8.3	Employment costs	1.8	1.6	2.0	2.6	3.0	3.4	
Mtce capex	0.0	(0.0)	(0.1)	0.0	0.0	Selling General & Admin Costs	1.6	1.6	1.3	1.3	1.4	1.5	
Free cash flow	(11.4)	(3.1)	(1.4)	3.6	8.3	Other Opex	0.1	(0.0)	0.0	0.0	0.1	0.1	
Growth capex	(0.1)	0.0	0.0	0.0	0.0	Total Operating Costs	3.5	3.1	3.3	4.0	4.5	4.9	
Acquisitions/Disposals	0.3	(5.8)	0.0	0.0	0.0	EBITDA	(1.9)	(0.1)	0.3	(0.1)	2.5	4.2	
Other	(0.2)	(0.9)	0.0	0.0	0.0								
Cash flow pre financing	(11.3)	(9.8)	(1.4)	3.6	8.3								
Equity	10.1	9.1	2.8	0.0	0.0	<b>Margins, Leverage, Returns</b>		<b>FY18A</b>	<b>FY19A</b>	<b>FY20F</b>	<b>FY21F</b>	<b>FY22F</b>	
Debt	0.0	(0.3)	0.0	0.0	0.0	EBITDA		n/a	(30.5%)	4.6%	32.6%	43.3%	
Dividends paid	0.0	0.0	(0.1)	0.0	0.0	EBIT		n/a	(56.9%)	(17.7%)	16.2%	39.6%	
Net cash flow for year	(1.3)	(1.0)	1.3	3.6	8.3	NPAT pre significant items		n/a	(42.7%)	(16.5%)	7.6%	27.1%	
<b>Balance sheet (A\$m)</b>						Net Debt (Cash)		1.5	(3.5)	-	2.5	1.0	9.3
Y/E 30 June	FY18A	FY19A	FY20F	FY21F	FY22F	Net debt/EBITDA (x)	(x)	2.692	n/a	-	5.605	0.149	0.683
Cash	1.5	0.5	1.5	5.1	13.4	ND/ND+Equity (%)	(%)	n/a	15.6%	8.8%	(3.5%)	(32.0%)	
Accounts receivable	5.4	1.2	1.6	3.4	5.2	EBIT interest cover (x)	(x)	(0.2)	n/a	n/a	0.1	0.0	
Inventory	0.0	0.0	0.0	0.0	0.0	ROA		n/a	(16.7%)	(5.7%)	10.1%	31.4%	
Other current assets	0.1	0.1	0.1	0.1	0.1	ROE			(22.6%)	(7.2%)	5.6%	25.0%	
<b>Total current assets</b>	<b>7.0</b>	<b>1.8</b>	<b>3.3</b>	<b>8.7</b>	<b>18.7</b>	ROIC		1.1%	(49.2%)	(18.1%)	22.8%	47.7%	
PPE	0.3	0.2	0.2	0.1	0.1	<b>NTA (per share)</b>		0.07	0.01	0.03	0.03	0.05	
Intangibles inc Goodwill	2.0	14.5	14.5	14.5	14.5	<b>Working capital</b>		2.6	0.1	1.2	2.7	4.1	
Investments	0.0	0.0	0.0	0.0	0.0	<b>WC/Sales (%)</b>		<b>14.8%</b>	<b>1.3%</b>	<b>12.5%</b>	<b>12.9%</b>	<b>13.0%</b>	
Deferred tax asset	5.4	6.5	7.1	7.1	7.1	<b>Revenue growth</b>		n/a	(61.6%)	44.7%	110.0%	51.0%	
Other assets	1.3	7.7	6.3	4.6	3.5	<b>EBIT growth pa</b>		n/a	n/a	n/a	(291.4%)	270.2%	
<b>Total non current assets</b>	<b>9.0</b>	<b>28.8</b>	<b>28.0</b>	<b>26.3</b>	<b>25.2</b>	<b>Pricing</b>		<b>FY18A</b>	<b>FY19A</b>	<b>FY20F</b>	<b>FY21F</b>	<b>FY22F</b>	
<b>Total Assets</b>	<b>15.9</b>	<b>30.6</b>	<b>31.3</b>	<b>35.0</b>	<b>43.8</b>	No of shares (y/e)	(m)	162	413	473	473	473	
Accounts payable	2.8	1.2	0.4	0.8	1.1	Weighted Av Dil Shares	(m)	162	232	530	530	530	
Short term debt	0.0	0.0	0.0	0.0	0.0	EPS Reported	cps	(3.68)	(1.55)	(0.34)	0.69	1.79	
Tax payable	0.0	0.0	0.0	0.0	0.0	EPS Normalised/Diluted	cps	(0.19)	(1.26)	(0.32)	0.62	1.60	
Other current liabilities	0.3	6.2	0.3	0.3	0.3	EPS growth (norm/dil)		n/a	n/a	n/a	-295%	159%	
<b>Total current liabilities</b>	<b>3.1</b>	<b>7.4</b>	<b>0.7</b>	<b>1.1</b>	<b>1.4</b>	DPS	cps	-	-	-	-	-	
Long term debt	0.0	4.0	4.1	4.1	4.1	DPS Growth		n/a	n/a	n/a	n/a	n/a	
Other non current liabs	0.1	0.1	0.1	0.1	0.1	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Total long term liabilities</b>	<b>0.1</b>	<b>4.1</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>	Dividend imputation		30	30	30	30	30	
<b>Total Liabilities</b>	<b>3.2</b>	<b>11.4</b>	<b>4.9</b>	<b>5.3</b>	<b>5.6</b>	PE (x)		-	-	-	12.7	4.9	
<b>Net Assets</b>	<b>12.7</b>	<b>19.2</b>	<b>26.4</b>	<b>29.7</b>	<b>38.2</b>	PE market		15.2	15.2	15.2	15.2	15.2	
Share capital	32.5	42.4	51.1	51.1	51.1	Premium/(discount)			(100.0%)	(100.0%)	(16.4%)	(67.7%)	
Accumulated profits/losses	(21.2)	(24.0)	(25.5)	(22.3)	(13.8)	EV/EBITDA		23.7	(19.2)	97.4	6.0	2.4	
Reserves	1.4	0.7	0.9	0.9	0.9	FCF/Share	cps	(7.0)	(0.7)	(0.3)	0.7	1.7	
Minorities	0.0	0.0	0.0	0.0	0.0	Price/FCF share		(1.3)	(11.9)	(31.4)	11.7	5.0	
<b>Total Shareholder funds</b>	<b>12.7</b>	<b>19.2</b>	<b>26.4</b>	<b>29.7</b>	<b>38.2</b>	Free Cash flow Yield		(79.9%)	(8.4%)	(3.2%)	8.5%	19.8%	

Source: RaaS Advisory



# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

**ABN 99 614 783 363**

**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 26<sup>th</sup> 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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P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

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](http://www.afca.org.au); Email: [info@afca.org.au](mailto: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.



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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. Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2020 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved