1. Company details

Name of entity:	BetMakers Technology Group Ltd
ABN:	21 164 521 395
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	53.8%	to	6,169,134
Loss from ordinary activities after tax attributable to the owners of BetMakers Technology Group Ltd	down	39.7%	to	(3,604,757)
Loss for the year attributable to the owners of BetMakers Technology Group Ltd	down	39.7%	to	(3,604,757)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the group after providing for income tax amounted to $3,604,757 (30 June 2018: $5,976,540).

Further information on the 'Review of operations' is detailed in the Directors' report and Chief Executive Officer's report which is part of the Annual Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.23)	5.65

4. Control gained over entities

Refer to note 31 - Business combinations for further detail.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

---

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and the audit report contains a paragraph addressing material uncertainty related to going concern and the recoverability of deferred tax assets and intangibles.

---

9. Attachments

Details of attachments (if any):

The Annual Report of BetMakers Technology Group Ltd for the year ended 30 June 2019 is attached.

---

10. Signed

Signed ______________________________ Date: 29 August 2019

Todd Buckingham
Director
Sydney

BetMakers Technology Group Ltd

(Formerly known as The BetMakers Holdings Limited)

ABN 21 164 521 395

Annual Report - 30 June 2019

BetMakers Technology Group Ltd
(Formerly known as The BetMakers Holdings Limited)
Contents
30 June 2019

Directors	Nicholas Chan - Chairman Todd Buckingham Simon Dulhunty
Company secretary	Charly Duffy
Notice of annual general meeting	The details of the annual general meeting of BetMakers Technology Group Ltd are: 22 Lambton Road Broadmeadow, NSW 2292 Tuesday, 26 November 2019 at 11:00 a.m. (AEDT)
Registered office	22 Lambton Road Broadmeadow, NSW 2292 Head office telephone: (02) 4957 4704
Share register	Computershare Investor Services Pty Limited Level 4 60 Carrington Street Sydney, NSW 2000 Share registry telephone: 1300 787 272
Auditor	PKF(NS) Audit & Assurance Limited Partnership 755 Hunter Street Newcastle West, NSW 2302
Solicitors	Coghlan Duffy & Co Level 42, Rialto South Tower 525 Collins Street Melbourne, VIC 3000
Stock exchange listing	BetMakers Technology Group Ltd shares are listed on the Australian Securities Exchange (ASX code: BET (formerly ASX code: TBH))
Website	http://investors.thebetmakers.com
Corporate Governance Statement	The directors and management are committed to conducting the business of BetMakers Technology Group Ltd in an ethical manner and in accordance with the highest standards of corporate governance. BetMakers Technology Group Ltd has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, and the ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found at http://investors.thebetmakers.com/corporate-governance/

To my fellow shareholders,

I am pleased to update you on our progress in 2019.

Over the past 12 months we have successfully transformed the company to become a leading wagering technology company which develops products and delivers services for the international gambling industry.

As part of the transition, we completed the sale of our retail assets and are now purely a B2B business that counts many of the world's leading bookmakers as our contracted clients.

During the year we acquired the leading odds comparison website DynamicOdds as well as leading bookmaker supplier Global Betting Services ("GBS"). These acquisitions have cemented our position in the market with both racing bodies and wagering operators.

Under our new company title as the BetMakers Technology Group Ltd (ASX:BET), management have negotiated long-term deals with all of our customers who rely on us to supply their racing offering.

We have also established our global racing distribution business, signing leading racing jurisdictions for the distribution of their racing content into the Australian and New Zealand markets. BetMakers is currently distributing 2,000 races per week.

Most importantly, as part of the past 12 months of our strategic focus, the company transitioned to profitability during the final stages of FY2019.

The next 12 months will be an exciting time as we look to scale our product and service offerings from the profitable base we have established.

With the successful integration of DynamicOdds and GBS, BetMakers is well positioned to continue growing with our existing customer base. We now plan to implement our suite of products and offerings across this wide customer base and help them reduce resource costs, create more engaging content and ultimately deliver a better margin on their racing content.

This is an exciting time for BetMakers and I would like to thank all of our shareholders for their support as we look forward to delivering a strong result for FY2020.

Sincerely

Todd Buckingham
CEO - BetMakers Technology Group Ltd
ASX: BET

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "group") consisting of BetMakers Technology Group Ltd (referred to hereafter as the "company", "BET" or '"parent entity") and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The following persons were directors of BetMakers Technology Group Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Nicholas Chan - Chairman
Todd Buckingham
Simon Dulhunty

Principal activities

The group's principal activities during the financial year were the development and provision of data and analytic products for the B2B wagering market and the production and distribution of racing content.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the group after providing for income tax amounted to $3,604,757 (30 June 2018: $5,976,540).

The loss includes impairment of receivables of $598,304 (2018: Nil), excluding this amount, the loss from continuing operations after tax for the year amounted to $3,006,453 (2018: loss of $5,976,540). During the year the company acquired two businesses, DynamicOdds Pty Ltd and Global Betting Services (see below for further detail). An independent valuation was performed over the software assets of these entities, resulting in an asset value of $7,519,859 being recognised. This is amortised over 5 years, which is a key contributor to the Depreciation and amortisation expense of $1,802,759 (2018: $392,689).

Significant changes in the state of affairs

On 14 June 2018, the company expanded its content services strategy by entering into a conditional but binding Heads of Agreement ("HOA") to acquire 100% of the shares of DynamicOdds Pty Ltd ("DynamicOdds") including its brands, data and betting tools. The acquisition settled on 1 September 2018. The arrangement required that $7,000,000 be paid to the vendor within 12 months of completion of the acquisition of assets. The deal structure was revised as announced on 29 August 2018 and 30 April 2019 whereby the $7,000,000 consideration will consist of cash payments of $150,000 (paid on 1 August 2018), $1,350,000 (paid on 31 August 2018), $1,000,000 (paid on 12 December 2018), $2,500,000 (paid on 30 June 2019; $1,500,000 in cash and $1,000,000 via the issuance of BET shares at $0.03 per share) and $2,000,000 payable on or before 30 June 2024.

Up to an additional amount of $3,000,000 is payable to the vendor if the business achieves EBIT levels as follows: if EBIT for the Performance Period ('PP', defined as the period from 1 September 2018 to 31 August 2019) is equal to or greater than $1,250,000 but less than $1,500,000, the Performance Payment will be $1,500,000; if EBIT for the PP is equal to or greater than $1,500,000, the Performance Payment will be $3,000,000. As at 30 June 2019, the group has accrued a Performance Payment liability of $3,000,000. The company has the discretion to pay the Performance Payment in cash, via the issue of ordinary shares in the capital of the company or a combination of both.

On 18 July 2018, the group agreed terms to acquire 100% of the shares in leading global wagering service provider, Global Betting Services Pty Limited ('GBS'). The acquisition settled on 17 September 2018. The deal structure was revised as announced on 30 January 2019 and 30 April 2019 whereby the total consideration of $7,000,000 will consist of cash payments of $1,000,000 (paid up-front on completion on 17 September 2018), $2,100,000 (paid on 29 January 2019), $1,900,000 (paid on 30 June 2019) and $2,000,000 payable on or before 30 June 2024.

Up to an additional $3,000,000 is payable to the vendor if the business achieves EBIT levels as follows: if EBIT of GBS during the Performance Period ('PP', defined as the period from 18 September 2018 to 17 September 2019) is equal to or more than $1,200,000 but less than $1,500,000, the Performance Payment will be $1,000,000; if the EBIT of GBS during the Performance Period is equal to or more than $1,500,000, the Performance Payment will be $3,000,000. As at 30 June 2019, the group has accrued a Performance Payment liability of $3,000,000. The company has the discretion to pay the Performance Payment in cash, via the issue of ordinary shares in the capital of the company or a combination of both.

On 20 July 2018, the company announced a non-renounceable Entitlements Offer for fully paid ordinary shares in BET (new shares) to raise approximately $6,700,000. Under the accelerated Institutional Offer, BET successfully raised approximately $1,036,952 from the issue of 12,961,897 shares at an issue price of 8 cents ($0.08) per share.

On 22 August 2018, the company completed the Entitlements Offer through a retail offering to existing shareholders and through a shortfall offering to both new and existing shareholders. BET successfully raised approximately $3,435,005 from the issue of 42,937,564 shares at an issue price of 8 cents ($0.08) per share.

On 25 January 2019, the group received the final payment from PlayUp Australia Pty Limited for the purchase of TopBetta Pty Ltd and associated brands, including TopBetta and Mad Bookie. The group has now received $6,000,000 from the sale of the assets.

On 30 April 2019, the group received a firm commitment for a strategic investment from Tekkorp Holdings LLC. Under a placement of 55,991,335 fully paid ordinary shares at a price of $0.03 per share, the group raised $1,679,740 and Tekkorp took a 19.99% stake in BET.

On 30 April 2019 and 7 May 2019, the company announced a non-renounceable Entitlements Offer (Offer) for fully paid ordinary shares in BET (new shares) to raise approximately $3,000,000. Under the Offer, BET successfully raised approximately $2,986,798 from the issue of 99,559,935 shares at an issue price of $0.03 per share.

On 6 June 2019, the group paid the vendors of GBS $1,900,000 and the vendors of DynamicOdds $1,500,000 in respect of the acquisition payments and as agreed as part of the restructuring announced on 30 April 2019.

On 21 June 2019, the company gained shareholder approval for the issuance of 33,333,333 fully paid ordinary shares to the vendors of DynamicOdds in lieu of a $1,000,000 acquisition payment due and as agreed as part of the restructuring announced on 30 April 2019.

On 21 June 2019, the company changed its name from The BetMakers Holdings Limited to BetMakers Technology Group Ltd.

There were no other significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations
The group will continue to focus on expanding its current business and operations both domestically and internationally. Management believe that the group continues to be well positioned to generate sustainable long-term growth and value creation.

Environmental regulation
The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Nicholas Chan
Title:	Chairman and Non-Executive Director
Experience and expertise:	Nicholas (Nick) Chan has more than 32 years' experience in media. He has held senior leadership and operational roles with leading Australian media companies. Nick was most recently Group Chief Operating Officer ('COO') at Seven West Media and prior to that, Chief Executive Officer ('CEO') of Pacific Magazines, a subsidiary of Seven West Media, for nine years. He joined Pacific Magazines from Text Media, where he was a CEO. He held a range of senior positions at ACP Publishing including Group Publisher and COO. Nick is a former Chairman of The Magazines Publishers of Australia and CEO of Bauer Media ANZ.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	407,142 ordinary shares
Interests in options:	5,000,000 options over ordinary shares

Name:	Todd Buckingham
Title:	Managing Director and Chief Executive Officer
Qualifications:	Double Bachelor in teaching and health and physical education
Experience and expertise:	Todd Buckingham has more than 23 years' experience working in the Sports and Wagering industry in Australia. After completing his double Bachelor degree in 2000, he taught secondary education for five years at Hunter Sports High School whilst simultaneously working as a sports manager at a successful sports management company, NSRT. During his time at NSRT, Todd negotiated more than $20 million worth of sporting contracts, culminating in his appointment as Managing Director. As Managing Director of NSRT, Todd's responsibilities included managing the affairs of Rugby League athletes, negotiating contracts, sourcing sponsorships, managing accounting and budgeting affairs, crisis management and media relations. In 2009, he founded 12Follow and in 2010 TopBetta.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	6,488,808 ordinary shares
Interests in options:	16,667,000 options over ordinary shares (refer to 'Service agreements' section)

Name:	Simon Dulhunty
Title:	Non-Executive Director (Non-independent)
Experience and expertise:	Simon Dulhunty has over 27 years' experience in print and digital media in management and operational roles at the top of metropolitan and regional Australian media, including as an award-winning Editor of The Sun-Herald newspaper in Sydney and General Manager of Fairfax Media's mobile development team responsible for acclaimed iPad apps for The Age, The Sydney Morning Herald and The Australian Financial Review. Simon now runs his own private media consultancy.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	844,045 ordinary shares
Interests in options:	5,000,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Charly Duffy is a qualified and practising corporate and commercial lawyer with over ten years' of private practice experience and is the director and principal of cdPlus Corporate Services, a company secretarial and legal services business. Charly brings extensive legal experience to BET, with a particular focus on equity capital markets, mergers and acquisitions, corporate governance, initial public offerings, secondary capital raisings, business and share sale transactions, takeovers, Takeovers Panel proceedings, financing, ASIC and ASX compliance and all aspects of general corporate and commercial law.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board*	
	Attended	Held
Nicholas Chan	15	15
Todd Buckingham	14	15
Simon Dulhunty	15	15

Held: represents the number of meetings held during the time the director held office.

* Upon assessment of the company size and board composition, the Board determined that it would assume the responsibilities of the Nomination and Remuneration Committee and the Audit and Risk Committee.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the Key Management Personnel ('KMP') remuneration arrangements for the group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by shareholders. The most recent determination was under the Constitution, where the shareholders approved that the aggregate remuneration must not exceed $500,000 per annum.

Executive remuneration
The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments, such as long-term incentive plans; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are to be reviewed annually by the Board based on individual and business unit performance, the overall performance of the group and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the group and provides additional value to the executive.

The long-term incentives plan ('LTIP') program is designed to assist in the reward, retention and motivation of executives and other KMP of the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

The Board has sole and absolute discretion to determine the terms and conditions of awards which are granted under the LTIP including, but not limited to, the following:
- which individuals will be invited to participate in the LTIP;
- the number of awards to be granted to each participant;
- the fee payable, if any, by participants on the grant of awards;
- the terms (e.g. vesting conditions or performance hurdles) on which the awards will vest and become exercisable;
- the exercise price, if any, of each award granted to participants;
- the period during which a vested award can be exercised; and
- any forfeiture conditions or disposal restrictions applying to the awards and shares received upon exercise of awards.

Group's performance and link to remuneration
Remuneration for certain individuals is linked to their divisional performance and the performance of the group, if relevant. Refer to section 'Details of remuneration' of the remuneration report for details.

Use of remuneration consultants
During the financial year ended 30 June 2019, the group had not engaged any remuneration consultants to review or advise upon its existing remuneration policies, including the implementation of the LTIP.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 94% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The KMP of the group consisted of the directors of BetMakers Technology Group Ltd and the following persons:
- Oliver Shanahan - Chief Information Officer
- Anthony Pullin – Chief Financial Officer
- Paul Jeronimo - Chief Operating Officer (resigned on 30 October 2018)

Details of the remuneration of KMP of the group are set out in the following tables:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Leave benefits $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Nicholas Chan	82,077	-	9,247	7,797	-	-	24,500	123,621
Simon Dulhunty	45,661	-	-	4,338	-	-	24,500	74,499
Executive Directors:								
Todd Buckingham	193,846	-	4,489	18,415	-	-	-	216,750
Other KMP:								
Oliver Shanahan	183,076	-	-	17,392	-	-	-	200,468
Anthony Pullin	126,000	-	-	11,970	-	-	-	137,970
Paul Jeronimo *	76,477	-	-	2,709	-	-	-	79,186
	707,137	-	13,736	62,621	-	-	49,000	832,494

* Remuneration until date of resignation as KMP.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2018	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Leave benefits $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Nicholas Chan	82,077	-	9,247	7,797	-	-	-	99,121
Matthew Cain *	40,895	-	-	3,885	-	-	-	44,780
Simon Dulhunty	45,662	-	-	4,338	-	-	-	50,000
Executive Directors:								
Todd Buckingham	180,000	-	5,241	17,100	-	-	-	202,341
Other KMP:								
Oliver Shanahan	170,000	-	-	16,150	-	-	-	186,150
Paul Jeronimo	160,001	-	-	15,200	-	-	-	175,201
	678,635	-	14,488	64,470	-	-	-	757,593

* Remuneration until date of resignation as Director.

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Todd Buckingham
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	8 November 2015
Term of agreement:	Fixed term for two years and upon expiry may be mutually extended to continue on an ongoing basis.
Details:	Todd Buckingham receives a total fixed remuneration of $180,000 per annum (excluding superannuation) which includes all non-cash benefits he may be entitled to receive plus a motor vehicle allowance of $18,000 per annum. In addition, under a revised agreement, the company has issued to Todd: 16,667,000 options each with an exercise price of $0.06 and with an option term of three years. The options will only vest and be exercisable into fully paid ordinary shares in the company upon the earlier of either of the following vesting conditions being met: ● the group achieving earnings before interest, tax, depreciation and amortisation ('EBITDA') of at least $1,000,000 over a period of three consecutive months within three years of the Amended CEO Expiry date; or ● the company's 20 day volume weighted average price ('VWAP') of its shares as quoted on the ASX being at least $0.15 within three years of the Amended CEO Expiry date ('21 June 2019'); or ● a change of control event occurring within three years of the Amended CEO Expiry date. The above options, originally granted on 12 November 2015, had their terms amended as approved by shareholder resolution on 21 June 2019. Prior to the amendment, the terms of the original options granted were as follows: The conditions prior to amendment were: (1) Tranche 1 - 10,000,000 options each with an exercise price of $0.25 and with an option term of five years. The options will only vest and be exercisable into fully paid ordinary shares in the company upon the earlier of either of the following vesting conditions being met: ● the group achieving gross revenue of at least $3 million over a period of three consecutive months within five years of the date of issue of the options; and ● the company's 20 day volume weighted average price ('VWAP') of its shares as quoted on the ASX being at least $0.50 within five years of the date of issue of the options; or ● a change of control event occurring within five years of the date of issue of the options. (2) Tranche 2 - 6,667,000 options each with an exercise price of $0.25 and with an option term of five years. Those options will only vest and be exercisable into fully paid ordinary shares in the company upon the earlier of either of the following vesting conditions being met: ● the group achieving earnings, before interest, tax, depreciation and amortisation ('EBITDA') of $1 million over a period of three consecutive months within five years of the date of issue of the options; and ● the company's 20 day VWAP of its shares as quoted on the ASX being at least $1.00 within five years of the date of issue of the options; or ● a change of control event occurring within five years of the date of issue of the options. Todd is also eligible to participate in the LTIP.

Todd may terminate his employment contract by giving six months' notice in writing. In addition to the rights provided under the Constitution, subject to the requirements of the Corporations Act, if, amongst other circumstances, the Board determines that Todd is not satisfactorily performing his duties as Managing Director, the Board may recommend and put a resolution to the shareholders for his removal either during the fixed term or otherwise. Todd will be subject to a restraint on solicitation of clients, suppliers and employees for a period of 12 months following the termination of his employment.

Name:	Oliver Shanahan
Title:	Chief Information Officer
Agreement commenced:	1 July 2014
Term of agreement:	Ongoing basis
Details:	Oliver Shanahan receives an annual salary of $170,467 (excluding superannuation) and is also eligible for: ● mandatory superannuation contributions; ● a discretionary bonus and incentive payment scheme; and ● the LTIP. The group or Oliver may terminate his employment agreement by giving three weeks' notice in writing, or by the group making a payment in lieu of part or all of the notice period, in addition to the usual summary dismissal grounds. Other than in relation to the protection of confidential information and intellectual property, Oliver is not subject to any other restrictions on his activities after his employment with the group ceases.

Name:	Anthony Pullin
Title:	Chief Financial Officer
Agreement commenced:	16 October 2018
Term of agreement:	Ongoing basis
Details:	Anthony Pullin receives an annual salary of $180,000 (excluding superannuation) and is also eligible for: ● mandatory superannuation contributions; ● a discretionary bonus and incentive payment scheme; and ● the LTIP. The group or Anthony may terminate his employment agreement by giving one months' notice in writing, or by the group making a payment in lieu of part or all of the notice period, in addition to the usual summary dismissal grounds. Other than in relation to the protection of confidential information and intellectual property, Anthony is not subject to any other restrictions on his activities after his employment with the group ceases.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
No shares were issued to directors or other KMP as part of compensation during the year ended 30 June 2019.

Options

The terms and conditions of each grant of options issued by 30 June 2019 over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Nicholas Chan	5,000,000	28/06/2019	27/06/2022	27/06/2022	$0.06	$0.0049
Todd Buckingham - Tranche 1	10,000,000	12/11/2015	21/06/2022	21/06/2022	$0.06	$0.0470
Todd Buckingham - Tranche 2	6,667,000	12/11/2015	21/06/2022	21/06/2022	$0.06	$0.0200
Simon Dulhunty	5,000,000	28/06/2019	27/06/2022	27/06/2022	$0.06	$0.0049
Oliver Shanahan	1,954,681	03/07/2017	31/10/2020	31/10/2020	$0.30	$0.0200

Todd Buckingham has performance conditions attached to his options. The conditions attached to Todd Buckingham's options were amended during the year. These amendments are detailed in 'Service agreements' section above. No other holders have performance conditions attached to their options.

Options granted carry no dividend or voting rights.

Additional disclosures relating to KMP

Shareholding

The number of shares in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Nicholas Chan	-	-	407,142	-	407,142
Todd Buckingham	4,870,862	-	1,617,946	-	6,488,808
Simon Dulhunty	419,438	-	424,607	-	844,045
Paul Jeronimo *	921,115	-	-	(921,115)	-
Oliver Shanahan	2,399,468	-	-	-	2,399,468
	8,610,883	-	2,449,695	(921,115)	10,139,463

* Disposals/other represents shares held at resignation date.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Todd Buckingham *	16,667,000	-	-	-	16,667,000
Nicholas Chan	2,000,000	5,000,000	-	(2,000,000)	5,000,000
Simon Dulhunty	1,500,000	5,000,000	-	(1,500,000)	5,000,000
Paul Jeronimo**	2,000,000	-	-	(2,000,000)	-
Oliver Shanahan	1,954,681	-	-	-	1,954,681
	24,121,681	10,000,000	-	(5,500,000)	28,621,681

* Conditions detailed in 'Service agreements' section above.
** Disposals/other represents options held at resignation date and there were cancelled. Options later expired on 21 March 2019.

Loans to key management personnel and their related parties
The loans to key management personnel and their related parties during the financial year by each directors and other members of KMP of the group, including their personal related parties, is set out below:

	Balance at the start of the year	Additions	Impairment	Balance at the end of the year
Todd Buckingham	195,848	-	(65,854)	129,994
Oliver Shanahan	145,074	-	(48,781)	96,293
	340,922	-	(114,635)	226,287

The loans have been partially provided against during the period. Refer to note 10 for further detail.

There were no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of BetMakers Technology Group Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12 November 2015	21 June 2022	\$0.06	16,667,000
3 July 2017	31 October 2020	\$0.30	2,954,681
17 September 2018	30 November 2020	\$0.12	4,000,000
28 June 2019	27 June 2022	\$0.06	10,000,000
			33,621,681

4,500,000 options over ordinary shares are held by external parties to the group.

500,000 options over ordinary shares are held by non-KMP employees.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of BetMakers Technology Group Ltd issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of PKF(NS) Audit & Assurance Limited Partnership
There are no officers of the company who are former partners of PKF(NS) Audit & Assurance Limited Partnership.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
PKF(NS) Audit & Assurance Limited Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Chan	Todd Buckingham
Chairman	Director

29 August 2019
Sydney

BetMakers Technology Group Limited
ACN: 164 521 395

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of BetMakers Technology Group Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

MMatthews

MARTIN MATTHEWS
PARTNER

29 AUGUST 2019
NEWCASTLE, NSW

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

BetMakers Technology Group Ltd
(Formerly known as The BetMakers Holdings Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Revenue from continuing operations			
Revenue		6,158,978	12,738,356
Cost of sales		(2,240,484)	(11,148,002)
Gross profit		3,918,494	1,590,354
Other income	5	661,246	5,040,725
Interest revenue calculated using the effective interest method		10,156	58,946
Expenses			
Employee benefits expense	6	(3,329,977)	(3,182,492)
Professional fees		(895,429)	(987,106)
Marketing expenses		(4,202)	(19,072)
Administration expenses		(975,186)	(670,403)
IT expenses		(1,178,436)	(779,996)
Occupancy expenses		(177,992)	(196,187)
Depreciation and amortisation expense	6	(1,802,759)	(392,689)
Impairment of receivables	10	(598,304)	-
Share-based payments (expense)/income	20	(95,528)	7,945
Other expenses		(99,733)	(254,623)
Finance costs	6	(52,036)	(27,269)
(Loss)/profit before income tax benefit/(expense) from continuing operations		(4,619,686)	188,133
Income tax benefit/(expense)	7	1,014,929	(503,125)
Loss after income tax benefit/(expense) from continuing operations		(3,604,757)	(314,992)
Loss after income tax benefit from discontinued operations	8	-	(5,661,548)
Loss after income tax benefit/(expense) for the year attributable to the owners of BetMakers Technology Group Ltd	21	(3,604,757)	(5,976,540)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of BetMakers Technology Group Ltd		(3,604,757)	(5,976,540)
Total comprehensive income for the year is attributable to:			
Continuing operations		(3,604,757)	(314,992)
Discontinued operations		-	(5,661,548)
		(3,604,757)	(5,976,540)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2019 $	2018 $
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of BetMakers Technology Group Ltd			
Basic earnings per share	34	(1.55)	(0.19)
Diluted earnings per share	34	(1.55)	(0.19)
Earnings per share for loss from discontinued operations attributable to the owners of BetMakers Technology Group Ltd			
Basic earnings per share	34	-	(3.49)
Diluted earnings per share	34	-	(3.49)
Earnings per share for loss attributable to the owners of BetMakers Technology Group Ltd			
Basic earnings per share	34	(1.55)	(3.68)
Diluted earnings per share	34	(1.55)	(3.68)

BetMakers Technology Group Ltd
(Formerly known as The BetMakers Holdings Limited)
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	9	453,104	1,456,766
Trade and other receivables	10	1,240,925	5,407,432
Prepayments		82,687	105,746
Total current assets		1,776,716	6,969,944
Non-current assets			
Receivables	10	512,192	-
Property, plant and equipment	11	159,348	306,037
Intangibles	12	21,626,990	3,235,774
Deferred tax	13	6,529,787	5,410,379
Total non-current assets		28,828,317	8,952,190
Total assets		30,605,033	15,922,134
Liabilities			
Current liabilities			
Trade and other payables	14	1,155,060	2,777,862
Income tax		30,353	-
Employee benefits	15	179,240	322,915
Other financial liabilities	16	6,000,000	-
Total current liabilities		7,364,653	3,100,777
Non-current liabilities			
Employee benefits	17	84,063	89,302
Other financial liabilities	18	4,000,000	-
Total non-current liabilities		4,084,063	89,302
Total liabilities		11,448,716	3,190,079
Net assets		19,156,317	12,732,055
Equity			
Issued capital	19	42,417,857	32,484,366
Reserves	20	713,641	1,449,763
Accumulated losses	21	(23,975,181)	(21,202,074)
Total equity		19,156,317	12,732,055

The above statement of financial position should be read in conjunction with the accompanying notes

BetMakers Technology Group Ltd
(Formerly known as The BetMakers Holdings Limited)
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	22,791,244	1,473,958	(15,225,534)	9,039,668
Loss after income tax expense for the year	-	-	(5,976,540)	(5,976,540)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(5,976,540)	(5,976,540)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	9,676,872	-	-	9,676,872
Share-based payments (note 35)	16,250	(24,195)	-	(7,945)
Balance at 30 June 2018	32,484,366	1,449,763	(21,202,074)	12,732,055

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	32,484,366	1,449,763	(21,202,074)	12,732,055
Loss after income tax benefit for the year	-	-	(3,604,757)	(3,604,757)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,604,757)	(3,604,757)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	9,933,491	-	-	9,933,491
Share-based payments (note 35)	-	95,528	-	95,528
Share-based payments - cancelled options	-	(831,650)	831,650	-
Balance at 30 June 2019	42,417,857	713,641	(23,975,181)	19,156,317

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers - net		7,099,614	18,831,643
Payments to suppliers and employees		(10,828,686)	(31,098,922)
Interest received		10,156	97,079
Interest and other finance costs paid		(52,036)	(7,649)
Research and development tax received		774,028	766,099
Income taxes paid		(87,260)	-
Net cash used in operating activities	33	(3,084,184)	(11,411,750)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	31	(9,035,253)	-
Payments for property, plant and equipment	11	(26,799)	(64,305)
Payments for intangibles		-	(500,000)
Payment for earn-out on previous acquisitions	14	(905,700)	(150,000)
Proceeds from disposal of business	10	3,217,544	800,000
Proceeds from disposal of property, plant and equipment	11	940	-
Net cash from/(used in) investing activities		(6,749,268)	85,695
Cash flows from financing activities			
Proceeds from issue of shares		9,138,495	10,057,186
Share issue transaction costs		(308,705)	(546,553)
Other		-	5,000
Net cash from financing activities		8,829,790	9,515,633
Net decrease in cash and cash equivalents		(1,003,662)	(1,810,422)
Cash and cash equivalents at the beginning of the financial year		1,456,766	3,267,188
Cash and cash equivalents at the end of the financial year	9	453,104	1,456,766

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover BetMakers Technology Group Ltd as a group consisting of BetMakers Technology Group Ltd (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'group'). The financial statements are presented in Australian dollars, which is BetMakers Technology Group Ltd's functional and presentation currency.

BetMakers Technology Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

22 Lambton Road
Broadmeadow, NSW 2292

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2019.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations adopted during the year are most relevant to the group:

AASB 9 Financial Instruments
The group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

There were also consequential changes to AASB 101 'Presentation of Financial Statements' from the introduction of AASB 15 and AASB 9.

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2018 was nil.

There has been no material impact on adoption of AASB 9 and AASB 15, other than the changes to disclosure as required by the standard.

Going concern and recoverability of intangible assets and deferred tax assets
During the year, the group incurred a net loss after tax of $3,604,757 (2018: $5,976,540) and net operating cash outflows of $3,084,184 (2018: outflows of $11,411,750). The annual report has been prepared on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business. The company has prepared cash flow forecasts as at 30 June 2019 to determine the appropriateness of the going concern assumption and the recoverability of the group's intangibles and deferred tax assets.

The key assumptions underlying these forecasts are as follows:

- Settlement of the obligations arising from the GBS and DynamicOdds acquisitions through the payment of cash, issuance of equity or a combination of both.
- Continuation of existing Platforms, GBS and DynamicOdds business performance with modest growth achieved;
- The successful expansion of the global racing content product; and
- Increased Global Tote turnover from product expansion and on boarding of additional bookmakers.

The Directors are confident of achieving these assumptions. Should the above assumptions not be realised, the going concern basis may not be appropriate and the company may be unable to realise its assets (including the group's intangibles and deferred tax assets) and discharge its liabilities in the normal course of business.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BetMakers Technology Group Ltd as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or reduction in profit or loss.

Revenue recognition
Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Content & integrity
Content & integrity revenue is recognised in the profit or loss once the service has been rendered. The provision of content & integrity services includes working with racing bodies and rights holders to produce and distribute racing content. Revenue is derived as a fixed fee or a percentage of turnover derived from the racing content. Revenue is therefore recognised in-line with the delivery of services, based on the contracted fee or reported turnover.

Wholesale wagering products
Wholesale wagering products revenue is recognised in the profit or loss once the service has been rendered. The provision of wholesale wagering products includes the provision of racing data to customers, the provision of analytical tools to assist in consuming racing data and wagering products to bookmakers such as platforms and the Global Tote. Revenue is derived as a fixed fee or a percentage of turnover derived from the tools provided. Revenue is therefore recognised in-line with the delivery of services, based on the contracted fee or reported turnover.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of financial assets
The group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2019. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 16 Leases

AASB 16 Leases will replace AASB 117 Leases and other related interpretations. The new lease standard will be effective from the annual reporting period commencing 1 July 2019. All leases should be recognised on the balance sheet at inception of the lease with the exception of short-term leases (less than 12 months) and leases of low-value assets. The lessee must recognise a right-of-use asset and a corresponding lease liability in the amount of the present value of the lease payments. Subsequent to this initial measurement, the right-of-use asset is depreciated over the lease term, whilst lease payments are separated into a principal and interest portion to wind up the lease liability over the lease term. Although depreciation on the right-of-use asset will be recorded on a straight-line basis, the total periodic expense (i.e., the sum of interest and depreciation expenses) will be generally higher in the early periods and lower in the later periods. As a constant interest rate is applied to the lease liability, interest expenses decrease as lease payments are made during the lease term and the lease liability decreases. This trend in the interest expense, combined with straight-line depreciation of the right-of-use asset, results in a front-loaded expense recognition pattern. The standard takes effect in the 2020 financial year.

If AASB 16 was implemented by the group as at 30 June 2019, the impact would be an increase in assets and corresponding increase in liabilities of $153,757. This represents the net present value of all estimated office and vehicle lease payments. Under the same lease assumptions, the group expects a lease expense of $107,983 in the year ending 30 June 2020 (comparatively, an expense of $103,187 would be expected under the current accounting methodologies being applied).

New Conceptual Framework for Financial Reporting

A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the group has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the group may need to revisit such policies.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model, depending on the equity-settled transaction, and takes into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Goodwill
The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the stated accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Income tax
The group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Refer to Note 7 for further details.

Recovery of deferred tax assets
Deferred tax assets are recognised for tax losses and deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses, and that the company continues to meet the Same Business Test and Similar Business Test rules as applicable.

Deferred consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The group applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

Identification of reportable operating segments
The group operates in three segments being content & integrity, wholesale wagering products and corporate. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Content & integrity	The group assists racing bodies and rights holders in producing and distributing race content. This includes services such as barrier technology, official price calculation, vision and pricing distribution.
Wholesale wagering products	The group provides customers with a variety of racing data and analytical tools. This includes basic race data such as pricing, runners, and form, analytical tools to consume and leverage the data, and wagering tools such as platforms and the Global Tote.

Change in structure of segments reported
On 30 June 2018, the group disposed of its subsidiary, TopBetta Pty Ltd ('TopBetta'), and the associated retail assets, TopBetta and Mad Bookie. As a consequence, the group no longer operates the Retail wagering and fantasy wagering segment which it had reported against in the previous annual and interim financial reports of the company. The comparative segment information disclosed below has been adjusted to eliminate results of the disposed segment so as to reflect the current operating segment structure of the group.
For 30 June 2019 reporting, the board elected to adjust the group's segment reporting to better align with the group's current operations. It should be noted that the current segments vary slightly from those of Content Services and Wholesale Wagering, as reported at 31 December 2018.

There are no intersegment transactions.

Major customers
There is one major customer that represented 18% (2018: 43%) of revenue.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2019	Content & integrity $	Wholesale wagering products $	Total $
Revenue			
Sales to external customers	496,004	5,662,974	6,158,978
Total revenue	496,004	5,662,974	6,158,978
Segment result	157,283	710,822	868,104
Depreciation and amortisation	(45,995)	(1,595,629)	(1,641,624)
Interest revenue	-	171	171
Finance costs	-	(12,970)	(12,970)
	111,288	(897,606)	(786,318)
Unallocated segment results			(3,610,566)
Depreciation and amortisation			(161,136)
Research and development tax rebate			661,246
Interest revenue			9,985
Finance costs			(39,065)
Share options expenses			(95,528)
Impairment of receivable			(598,304)
Loss before income tax benefit			(4,619,686)
Income tax benefit			1,014,929
Loss after income tax benefit			(3,604,757)
Assets			
Segment assets	1,672,123	21,122,190	22,794,313
Unallocated assets			7,810,720
Total assets			30,605,033
Liabilities			
Segment liabilities	1,364,220	9,395,504	10,759,724
Unallocated liabilities			688,992
Total liabilities			11,448,716

Note 4. Operating segments (continued)

Consolidated - 2018	Content services $	Wholesale wagering $	Total $
Revenue			
Sales to external customers	42,629	12,695,727	12,738,356
Total revenue	42,629	12,695,727	12,738,356
Segment result	(3,683)	(232,700)	(236,383)
Depreciation and amortisation	-	(213,396)	(213,396)
Finance costs	(176)	(1,824)	(2,000)
	(3,859)	(447,920)	(451,779)
Unallocated segment results			(4,263,142)
Depreciation and amortisation			(179,293)
Research and development tax rebate			733,180
Gain on disposal of discontinued operation			4,277,727
Payroll tax rebate			29,818
Interest revenue			58,946
Finance costs			(25,269)
Share options expenses			7,945
Profit before income tax benefit			188,133
Income tax benefit			1,650,321
Profit after income tax benefit			1,838,454
Assets			
Segment assets	98,985	2,481,784	2,580,769
Unallocated assets:			
Discontinued operations			147,978
Other unallocated assets			13,193,387
Total assets			15,922,134
Liabilities			
Segment liabilities	1,935	567,658	569,593
Unallocated liabilities:			
Discontinued operations			13,284
Other unallocated liabilities			2,607,202
Total liabilities			3,190,079
Reconciliation of profit/(loss) at 30 June 2018			
Segment loss			(4,499,525)
Discontinued operations:			
Gross profit			543,049
Other income			1,152,700
Total expenses			(9,510,743)
Inter-segment expenses			12,502,652
Profit before tax expense and discontinued operations at 30 June 2018			188,133

Revenue by geographical area
AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

Note 4. Operating segments (continued)

	Consolidated 2019 $
Australia	5,553,155
United Kingdom	443,231
United States of America	162,592
Total revenue	6,158,978

Revenue is recognised at the point the services are transferred.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	Consolidated 2019 $	Consolidated 2018 $
Research and development tax rebate	661,246	733,180
Payroll tax rebate	-	29,818
Gain on disposal of business *	-	4,277,727
Other income	661,246	5,040,725

* This gain on disposal of assets corresponds to the sale of TopBetta Pty Ltd and the assets of Mad Bookie. Refer to note 8 for further details.

Accounting policy for other income

Research and development tax rebate
The group has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the group recognises the eligible expenses.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

Note 6. Expenses

	Consolidated 2019 $	Consolidated 2018 $
(Loss)/profit before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Leasehold improvements	29,035	28,941
Plant and equipment	722	723
Computer equipment	109,241	127,652
Furniture and fittings	30,714	26,870
Total depreciation	169,712	184,186
Amortisation		
Software	1,253,310	-
Intellectual property	379,737	208,503
Total amortisation	1,633,047	208,503
Total depreciation and amortisation	1,802,759	392,689
Employee benefits		
Employee benefits expense excluding superannuation	3,092,943	2,931,814
Defined contribution superannuation expense	237,034	250,678
Total employee benefits	3,329,977	3,182,492
Finance costs		
Interest and finance charges paid/payable	52,036	27,269
Rental expense relating to operating leases		
Minimum lease payments	138,265	158,834

Accounting for finance costs
Finance costs are expensed in the period in which they are incurred.

Accounting for defined contribution superannuation payments
Contributions to defined contribution superannuation plans are expensed to profit or loss in the period in which they are incurred.

Note 7. Income tax benefit

	Consolidated 2019 $	Consolidated 2018 $
Income tax benefit		
Deferred tax - origination and reversal of temporary differences	(936,257)	(1,650,321)
Adjustment recognised for prior periods	(78,672)	-
Aggregate income tax benefit	(1,014,929)	(1,650,321)
Income tax benefit is attributable to:		
(Loss)/profit from continuing operations	(1,014,929)	503,125
Loss from discontinued operations	-	(2,153,446)
Aggregate income tax benefit	(1,014,929)	(1,650,321)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 13)	(936,257)	(1,650,321)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
(Loss)/profit before income tax benefit/(expense) from continuing operations	(4,619,686)	188,133
Loss before income tax benefit from discontinued operations	-	(7,814,994)
	(4,619,686)	(7,626,861)
Tax at the statutory tax rate of 27.5%	(1,270,414)	(2,097,387)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of goodwill	-	314,705
Share-based payments	26,270	(2,185)
Research and development tax incentive expenditure	236,187	(52,826)
Sundry items	71,700	144,532
	(936,257)	(1,693,161)
Adjustment recognised for prior periods	(78,672)	-
Effect of temporary differences now recognised	-	42,840
Income tax benefit	(1,014,929)	(1,650,321)

	Consolidated 2019 $	Consolidated 2018 $
Amounts credited directly to equity		
Deferred tax assets (note 13)	(84,894)	(144,257)

Accounting policy for income tax
Income tax for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 7. Income tax benefit (continued)

Accounting policy for deferred tax
Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, except for (i) when the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or (ii) when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidated group
BetMakers Technology Group Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group ('tax group') under the tax consolidation regime. Each entity in the tax group continues to account for their own current and deferred tax amounts. The tax group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to group members. In addition to its own tax amounts, the head entity also recognises the tax arising from unused tax losses and tax credits assumed from each subsidiary in the tax group.

Assets or liabilities arising under tax funding agreements are recognised as amounts receivable from or payable to other entities in the tax group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 8. Discontinued operations

Description
On 30 June 2018, the group completed the sale to PlayUp Australia Pty Limited ('PlayUp') of 100% of the shares in the company's wholly owned subsidiary, TopBetta Pty Ltd ('TopBetta'), and the associated retail assets, TopBetta and Mad Bookie. PlayUp took over the running of the TopBetta and Mad Bookie businesses from 1 July 2018.

The retail businesses, TopBetta and Mad Bookie were sold to PlayUp for consideration of $6,000,000 which resulted in a gain on sale of those businesses of $4,277,727 in the year ended 30 June 2018.

The non-current assets disposed of included client databases and client lists of both the TopBetta and Mad Bookie retail businesses, along with the trademarks for both brands. The sale did not include the sale of the proprietary technologies that these brands utilise.

Note 8. Discontinued operations (continued)

Financial performance information

	Consolidated 2019 $	Consolidated 2018 $
Revenue	-	4,508,121
Cost of sales	-	(3,965,072)
Gross profit	-	543,049
Interest received	-	8,315
Earn-out reversal	-	1,144,385
Total other income	-	1,152,700
Employee benefits expense	-	(1,322,127)
Marketing expenses	-	(5,316,639)
Administration expenses	-	(576,485)
IT expenses	-	(991,083)
Occupancy expenses	-	16,400
Impairment of goodwill	-	(1,144,385)
Other expenses	-	(14,041)
Finance costs	-	(162,383)
Total expenses	-	(9,510,743)
Loss before income tax benefit	-	(7,814,994)
Income tax benefit	-	2,153,446
Loss after income tax benefit from discontinued operations	-	(5,661,548)

Cash flow information

	Consolidated 2019 $	Consolidated 2018 $
Net cash used in operating activities	-	(1,830,344)
Net cash used in investing activities	-	(150,000)
Net decrease in cash and cash equivalents from discontinued operations	-	(1,980,344)

Accounting policy for discontinued operations
A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash on hand	203	203
Cash at bank	452,901	1,356,563
Cash on deposit	-	100,000
	453,104	1,456,766

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Current assets - trade and other receivables

	Consolidated 2019 $	Consolidated 2018 $
Trade receivables	423,734	184,098
Other receivables	115,526	4,328,045
Research and development tax receivable	661,246	774,028
Rental bonds	40,419	27,650
Goods and services tax ('GST') receivable	-	93,611
	817,191	5,223,334
	1,240,925	5,407,432

Other receivables included the sale of TopBetta of $3,217,544 at 30 June 2018 which was recovered during the year ended 30 June 2019.

In the current year, other receivables of $512,192 Employee Share Loan receivable was reclassified to non-current receivables.

Employee Share Loans were extended to select employees in March 2015 for the purpose of purchasing shares in OM Group Holdings (the parent entity prior to IPO). The loans are repayable upon receipt of dividends or sale of shares. The gross loan receivable amounted to $771,664, although a provision has been raised of $259,472 as at 30 June 2019 as the share price (at $0.045 per share) does not support full recovery of the loan should the employees sell their shares at this price.

Allowance for expected credit losses
The group has recognised an impairment of receivables in profit or loss for the year ended 30 June 2019 of $598,304 (2018: Nil).

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 10. Current assets - trade and other receivables (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Leasehold improvements - at cost	150,362	144,724
Less: Accumulated depreciation	(85,800)	(56,766)
	64,562	87,958
Plant and equipment - at cost	4,888	4,888
Less: Accumulated depreciation	(2,166)	(1,444)
	2,722	3,444
Computer equipment - at cost	356,500	348,263
Less: Accumulated depreciation	(325,805)	(218,187)
	30,695	130,076
Furniture and fittings - at cost	147,005	139,526
Less: Accumulated depreciation	(85,636)	(54,967)
	61,369	84,559
	159,348	306,037

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Computer equipment $	Furniture and fittings $	Total $
Balance at 1 July 2017	116,899	4,167	204,426	100,428	425,920
Additions	-	-	53,302	11,001	64,303
Depreciation expense	(28,941)	(723)	(127,652)	(26,870)	(184,186)
Balance at 30 June 2018	87,958	3,444	130,076	84,559	306,037
Additions	5,639	-	10,800	10,360	26,799
Disposals	-	-	(940)	-	(940)
Exchange differences	-	-	-	(2,836)	(2,836)
Depreciation expense	(29,035)	(722)	(109,241)	(30,714)	(169,712)
Balance at 30 June 2019	64,562	2,722	30,695	61,369	159,348

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 11. Non-current assets - property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	under the lease term
Plant and equipment	5 years
Computer equipment	2.5 years
Furniture and fittings	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Non-current assets - intangibles

	Consolidated	
	2019 $	2018 $
Goodwill - at cost	16,257,658	3,753,254
Less: Impairment	(1,802,453)	(1,802,453)
	14,455,205	1,950,801
Intellectual property - at cost	1,510,315	1,510,315
Less: Accumulated amortisation	(605,079)	(225,342)
	905,236	1,284,973
Software - at cost	7,519,859	-
Less: Accumulated amortisation	(1,253,310)	-
	6,266,549	-
	21,626,990	3,235,774

Note 12. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Intellectual property $	Software** $	Brands $	Total $
Balance at 1 July 2017	4,756,597	993,476	-	50,000	5,800,073
Additions *	-	500,000	-	-	500,000
Disposals/impairment on discontinued operations	(2,805,796)	-	-	(50,000)	(2,855,796)
Amortisation expense	-	(208,503)	-	-	(208,503)
Balance at 30 June 2018	1,950,801	1,284,973	-	-	3,235,774
Additions through business combinations (note 31)	12,504,404	-	7,519,859	-	20,024,263
Amortisation expense	-	(379,737)	(1,253,310)	-	(1,633,047)
Balance at 30 June 2019	14,455,205	905,236	6,266,549	-	21,626,990

* The acquisition corresponds to MWS software code for the wholesale wagering business. The company had previously secured an irrevocable, perpetual, royalty-free licence to use MWS's wagering technologies for the wholesale wagering business. The purchase gives the company control to increase the speed of future product development while retaining the intellectual property rights to all future development.

** The company appointed Leadenhall Services Pty Ltd to perform a valuation of the software assets acquired in DynamicOdds and GBS. The fair value of the software disclosed above is the result of the Leadenhall valuation review. The software is being amortised over 5 years. Refer to note 31-Business combinations for further details.

Impairment testing
Goodwill acquired through business combinations has been allocated to the following cash-generating units:

	Consolidated 2019 $	Consolidated 2018 $
Platforms and widgets	14,455,205	1,950,801

During the prior financial year, the company partially impaired the goodwill related to the Mad Bookie business which was acquired in May 2017. Included in the terms of the acquisition was an earn-out liability payable to the vendors which could be triggered during the period ending on the first anniversary of acquisition date and which would be based on 2 times Net Gaming Revenue. The Net Gaming Revenue earned by the business were not as high as originally forecast. This resulted in a partial reversal of the earn-out liability and the impairment of goodwill as shown in note 8. This transaction did not affect the net result for the period, as these items offset each other.

The recoverable amount of the group's goodwill has been determined by value-in-use calculations using discounted cash flow models, based on a one year projection period approved by management and extrapolated for a further four years using a steady growth rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Note 12. Non-current assets - intangibles (continued)

The following key assumptions were used in the discounted cash flow model for the content & integrity and wholesale wagering products divisions:
(a) 17.5% (2018:17.5%) pre-tax discount rate;
(b) terminal value of 4.5x previous year's Earnings, Before Interest, Tax, Depreciation and Amortisation ('EBITDA');
(c) 9.4% (2018: 20%) per annum increase in employee benefits expense; and
(d) revenue growth in line with management's expectations.

The discount rate of 17.5% pre-tax reflects management's conservative estimate of the time value of money and the group's weighted average cost of capital adjusted for the risk free rate and the volatility of the share price relative to market movements.

The Board believes the projected revenue growth rate is prudent and justified, based on the combination of current growth rates and planned product introductions.

Sensitivity analysis
As disclosed in note 3, the directors have made judgements and estimates about the future in respect of impairment testing of goodwill. Should these judgements and estimates not occur as approximated, the resulting goodwill carrying amount may decrease. The sensitivities of the carrying value of goodwill to such judgements and estimates are as follows:

Revenue generated by content services would need to decrease by 31% in the cash flow modelling before the goodwill in relation to the DynamicOdds and Global Betting Services acquisitions would become impaired, with all other assumptions remaining constant.

The Board believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the recoverable amount to fall below the carrying amount.

Accounting policy for goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intellectual property
Intellectual property primarily consists of the cost of acquiring the software code for the wholesale wagering business. Significant costs associated with the acquisition of additional intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Brands
The Mad Bookie brand name acquired in the business combinations had an indefinite life which was assessed for impairment annually. It has now been disposed of.

Accounting policy for impairment of other non-financial assets
Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 13. Non-current assets - deferred tax

	Consolidated 2019 $	Consolidated 2018 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	6,185,238	5,031,953
Property, plant and equipment	25,319	(76,346)
Accrued expenses	72,410	30,365
Superannuation	14,175	12,704
	6,297,142	4,998,676
Amounts recognised in equity:		
Transaction costs on share issue	232,645	411,703
Deferred tax asset	6,529,787	5,410,379
Movements:		
Opening balance	5,410,379	3,602,051
Credited to profit or loss (note 7)	936,257	1,650,321
Credited to equity (note 7)	84,894	144,257
Adjustment from prior year	98,257	13,750
Closing balance	6,529,787	5,410,379

Note 14. Current liabilities - trade and other payables

	Consolidated 2019 $	Consolidated 2018 $
Trade payables	503,709	1,568,292
Accrued expenses	342,023	62,699
Consideration for business (note 24)	-	905,700
Goods and services tax ('GST') payable	77,039	-
Other payables	232,289	241,171
	1,155,060	2,777,862

Refer to note 23 for further information on financial instruments.

The consideration for business at 30 June 2018 represents the obligation to pay consideration for the Mad Bookie business acquired in May 2017.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Current liabilities - employee benefits

	Consolidated 2019 $	Consolidated 2018 $
Annual leave	179,240	322,915

Accounting policy for short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 16. Current liabilities - other financial liabilities

	Consolidated 2019 $	Consolidated 2018 $
Earn-out provision	6,000,000	-

Earn-out provision
The Earn-out provision at 30 June 2019 relates to the Performance Payments attached to the DynamicOdds and Global Betting Services transactions. Refer to note 31 for further detail.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2019	Earn-out provision $
Carrying amount at the start of the year	-
Additions through business combinations (note 31)	6,000,000
Carrying amount at the end of the year	6,000,000

Accounting policy for provisions
Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 17. Non-current liabilities - employee benefits

	Consolidated 2019 $	Consolidated 2018 $
Long service leave	84,063	89,302

Accounting policy for long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Non-current liabilities - other financial liabilities

	Consolidated 2019 $	Consolidated 2018 $
Deferred consideration	4,000,000	-

Deferred consideration
The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the fair value of the estimated liability. Refer to note 31 for further detail.

The balance of $4,000,000 is payable on or before 30 June 2024, and attracts 10% interest p/a. The group is able to make principal repayments during the period at any time.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2019	Deferred consideration $
Carrying amount at the start of the year	-
Additions through business combinations (note 31)	14,000,000
Payments in cash	(9,000,000)
Payments through issuing shares (note 19)	(1,000,000)
Carrying amount at the end of the year	4,000,000

Note 19. Equity - issued capital

	Consolidated 2019 Shares	Consolidated 2018 Shares	Consolidated 2019 $	Consolidated 2018 $
Ordinary shares - fully paid	413,489,993	168,205,929	42,417,857	32,484,366

Note 19. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	143,001,477		22,791,244
Shares issued	29 August 2017	21,445,681	$0.42	9,007,186
Exercise of options	28 December 2017	-	$0.00	16,250
Shares issued	28 December 2017	250,000	$0.20	50,000
Shares issued	26 February 2018	3,508,771	$0.29	1,000,000
Transaction costs		-	$0.00	(405,589)
Deferred tax credit recognised directly in equity (note 13)		-	$0.00	25,275
Balance	30 June 2018	168,205,929		32,484,366
Shares issued	1 August 2018	12,961,897	$0.08	1,036,952
Shares issued	22 August 2018	5,437,564	$0.08	435,005
Shares issued	3 September 2018	29,737,500	$0.08	2,379,000
Shares issued	10 September 2018	7,762,500	$0.08	621,000
Shares issued	7 May 2019	55,991,335	$0.03	1,679,740
Shares issued	3 June 2019	99,559,935	$0.03	2,986,798
Shares issued	6 June 2019	500,000	$0.03	15,000
Shares issued	28 June 2019	33,333,333	$0.03	1,000,000
Transaction costs		-	$0.00	(323,705)
Deferred tax credit recognised directly in equity (note 13)		-	$0.00	103,701
Balance	30 June 2019	413,489,993		42,417,857

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of shares held and amounts paid on those shares. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may raise additional capital, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group is not subject to any financing arrangements covenants.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 20. Equity - reserves

	Consolidated 2019 $	Consolidated 2018 $
Share-based payments reserve	713,641	1,449,763

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in the share premium reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $
Balance at 1 July 2017	1,473,958
Share-based payments	14,773
Exercise of options	(16,250)
Expired options	(900)
Non vested options	(21,818)
Balance at 30 June 2018	1,449,763
Share-based payments	95,528
Share-based payments - cancelled options*	(831,650)
Balance at 30 June 2019	713,641

* Options that have expired or been cancelled pursuant to their terms and conditions. Such amounts are transferred to retained earnings.

Note 21. Equity - accumulated losses

	Consolidated 2019 $	Consolidated 2018 $
Accumulated losses at the beginning of the financial year	(21,202,074)	(15,225,534)
Loss after income tax benefit/(expense) for the year	(3,604,757)	(5,976,540)
Transfer from options reserve	831,650	-
Accumulated losses at the end of the financial year	(23,975,181)	(21,202,074)

Note 22. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives
The group's activities expose it to a variety of financial risks, particularly liquidity risk and wagering risk. The group's overall risk management program focuses on the unpredictability of wagering liabilities and liquidity.

Note 23. Financial instruments (continued)

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The group is not exposed to any foreign currency risk.

Price risk
The group is not exposed to any price risk.

Interest rate risk
The group is not exposed to any significant interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The group manages liquidity risk by maintaining adequate cash reserves, raising capital to fund growth and by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019		1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	503,709	-	-	-	503,709
Goods and services tax ('GST') payable	-	77,039	-	-	-	77,039
Other payables	-	232,289	-	-	-	232,289
Earn-out provision	-	6,000,000	-	-	-	6,000,000
Interest-bearing - variable						
Deferred consideration	10.00%	-	-	4,000,000	-	4,000,000
Total non-derivatives		6,813,037	-	4,000,000	-	10,813,037

Note 23. Financial instruments (continued)

Consolidated - 2018	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	1,568,292	-	-	-	1,568,292
Other payables	241,171	-	-	-	241,171
Consideration for business	905,700	-	-	-	905,700
Total non-derivatives	2,715,163	-	-	-	2,715,163

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 24. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Deferred consideration	-	-	4,000,000	4,000,000
Earn-out provision	-	-	6,000,000	6,000,000
Total liabilities	-	-	10,000,000	10,000,000

Consolidated - 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Consideration for business	-	-	905,700	905,700
Total liabilities	-	-	905,700	905,700

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 24. Fair value measurement (continued)

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Consideration for business $	Deferred consideration $	Earn-out provision $	Total $
Balance at 1 July 2017	(2,215,480)	-	-	(2,215,480)
Amounts paid in cash after settle the purchase price	165,395	-	-	165,395
Amount reversed	1,144,385	-	-	1,144,385
Balance at 30 June 2018	(905,700)	-	-	(905,700)
Additions	-	(14,000,000)	-	(14,000,000)
Earn-out provision	-	-	(6,000,000)	(6,000,000)
Payments	905,700	9,000,000	-	9,905,700
Payments through issuing shares	-	1,000,000	-	1,000,000
Balance at 30 June 2019	-	(4,000,000)	(6,000,000)	(10,000,000)

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF(NS) Audit & Assurance Limited Partnership, the auditor of the company:

	Consolidated 2019 $	Consolidated 2018 $
Audit services - PKF(NS) Audit & Assurance Limited Partnership		
Audit or review of the financial statements	79,231	92,623
Other services - PKF(NS) Audit & Assurance Limited Partnership		
Taxation services	24,500	-
Review of turnover certificate	9,500	17,500
Advice on performance of options	-	6,500
	34,000	24,000
	113,231	116,623

Note 26. Contingent liabilities

Two of the shareholders ("Plaintiffs") of Punters Show Pty Ltd ("Punters Show") have commenced proceedings against BetMakers and others ("Defendants") alleging that the Defendants effected the diversion or transfer of the business, intellectual property and revenue of the Punters Shows to the Defendants without the knowledge or consent of the Plaintiffs ("Proceedings"). The Proceedings are currently before the Supreme Court of New South Wales.

The Plaintiffs are currently self-represented. To date, the Court has awarded several costs orders to the Defendant in respect of their costs associated with the Proceedings. Such costs will be assessed and awarded to the Defendants at the conclusion of the Proceedings.

The group disputes the Plaintiffs' claims in full and will be fully defending the proceedings. However, if the Plaintiffs' claim is successful, the Board expects it to have a material financial impact.

The group has not recognised contingent liabilities with respect to the claim (2018: $nil).

Note 27. Commitments

	Consolidated 2019 $	Consolidated 2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	149,462	123,799
One to five years	120,183	203,645
	269,645	327,444

Operating lease commitments include amounts related to five year leases of offices (with the option to extend for a further five years). Annual amounts will increase at the greater of 3% or CPI. Also included are two year lease of offices (with a 7.5% rent increase in the second year) and a five year operating lease over a motor vehicle.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of KMP of the group is set out below:

	Consolidated 2019 $	Consolidated 2018 $
Short-term employee benefits	720,873	693,123
Post-employment benefits	62,621	64,470
Share-based payments	49,000	-
	832,494	757,593

Note 29. Related party transactions

Parent entity
BetMakers Technology Group Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2019 $	Consolidated 2018 $
Payment for other expenses:		
Consulting fees paid to Ferghana Capital Pty Ltd ('Ferghana') (a company controlled by former director, Matthew Cain)	-	100,000
Consulting fees paid to Media Solutions Company Pty Ltd ('SDMSC') (a company controlled by director Simon Dulhunty)	-	100,000

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2019 $	Consolidated 2018 $
Current receivables:		
Loan to key management personnel *	340,922	340,922

* As detailed in note 10, the group issued Employee Share Loans in March 2015. Those loans are repayable upon payment of a dividend or upon share sale.

Note 29. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2019 $	Parent 2018 $
Loss after income tax	(3,627,052)	(7,871,629)
Total comprehensive income	(3,627,052)	(7,871,629)

Statement of financial position

	Parent 2019 $	Parent 2018 $
Total current assets	661,307	1,545,753
Total assets	16,882,508	3,981,960
Total current liabilities	3,000,000	-
Total liabilities	7,000,000	-
Equity		
Issued capital	42,417,857	32,154,135
Share-based payments reserve	713,641	1,449,763
Accumulated losses	(33,248,990)	(29,621,938)
Total equity	9,882,508	3,981,960

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
As per Note 31, the group has a Performance Payment payable to the vendors of Global Betting Services based on the Earnings Before Interest and Tax ("EBIT") performance for the initial 12 months of ownership. The group has the discretion of paying this Performance Payment in cash, via the issue of ordinary shares in the capital of the parent or a combination of both. Global Betting Services was acquired by group subsidiary, BetMakers DNA Pty Ltd (via the acquisition of AETEG Holdings Pty Ltd which owns 100% of the shares in Global Betting Services Pty Ltd), and a Performance Payment liability of $3,000,000 is accrued within this entity at 30 June 2019. The parent entity has guaranteed to meet the obligations of the Performance Payment should the board of BET determine to issue ordinary capital to meet part or all of its obligation. The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Note 30. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Business combinations

DynamicOdds
On 1 September 2018, the group acquired 100% of the ordinary shares of DynamicOdds for the total consideration of $7,000,000, plus a potential Performance Payment (recognised as an earn-out provision of $3,000,000). DynamicOdds is a provider of wagering data and contributes to both content & integrity and wholesale wagering products segments. The goodwill recognised as at 30 June 2019 of $6,763,724 represents the consideration plus Performance Payment provision less Net Assets acquired. The acquired business contributed revenues of $1,537,740 and profit before tax of $840,609 to the group for the period from 1 September 2018 to 30 June 2019. If the acquisition occurred on 1 July 2018, the full period contribution would have been revenues of $1,732,049 and profit before tax of $971,410.

Global Betting Services
On 17 September 2018, the group acquired 100% of the ordinary shares of Global Betting Services for the total consideration of $7,000,000, plus a potential Performance Payment (recognised as an earn-out provision of $3,000,000). Global Betting Services is a leading wagering service provider and contributes to both content & integrity and wholesale wagering products segments. The goodwill of $5,740,680 represents the consideration plus Performance Payment provision less the Net Assets acquired. The acquired business contributed revenues of $2,568,321 and profit before tax of $1,687,154 to the group for the period from 17 September 2018 to 30 June 2019. If the acquisition occurred on 1 July 2018, the full period contribution would have been revenues of $3,040,529 and profit before tax of $1,662,155.

Note 31. Business combinations (continued)

Details of the acquisitions are as follows:

	DynamicOdds Fair value $	Global Betting Services Fair value $	Total Fair value $
Cash and cash equivalents	1,680	-	1,680
Software	3,243,699	4,276,160	7,519,859
Income tax refund due	-	(116,835)	(116,835)
GST receivable	742	-	742
Other current assets	-	329,155	329,155
Trade payables	(9,845)	(104,561)	(114,406)
GST payable	-	(70,142)	(70,142)
Superannuation payable	-	(17,524)	(17,524)
Bank overdraft	-	(36,933)	(36,933)
Net assets acquired	3,236,276	4,259,320	7,495,596
Goodwill	6,763,724	5,740,680	12,504,404
Acquisition-date fair value of the total consideration transferred	10,000,000	10,000,000	20,000,000
Representing:			
Cash paid or payable to vendor	9,000,000	10,000,000	19,000,000
BetMakers Technology Group Ltd shares issued to vendor	1,000,000	-	1,000,000
	10,000,000	10,000,000	20,000,000
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	10,000,000	10,000,000	20,000,000
Add: bank overdraft	-	36,933	36,933
Less: cash and cash equivalents	(1,680)	-	(1,680)
Less: shares issued by company as part of consideration	(1,000,000)	-	(1,000,000)
Less: deferred consideration	(2,000,000)	(2,000,000)	(4,000,000)
Less: earn-out provision	(3,000,000)	(3,000,000)	(6,000,000)
Net cash used	3,998,320	5,036,933	9,035,253

The company appointed Leadenhall Services Pty Ltd to perform a valuation of the software assets acquired in DynamicOdds and GBS. The fair value of the software disclosed above is the result of the Leadenhall valuation review. The software is being amortised over 5 years.

As at 30 June 2019, the group paid consideration of $10,000,000 for the 2 acquisitions ($9,000,000 in cash and $1,000,000 via the issuance of ordinary shares) and has a further liability for deferred consideration at year end of $4,000,000. In addition, the group has accrued for $6,000,000 in Performance Payments payable to the vendors; resulting in a total $19,000,000 cash paid or payable, and $1,000,000 paid via the issuance of ordinary shares. The consideration payment of $7,000,000 for each company (total consideration less earn-out provisions) was structured over 3 payments from September 2018 to 30 June 2019. On 30 April 2019, the group announced the restructuring of the final payments in respect of the acquisition of DynamicOdds and GBS. Under the terms of the restructure, the vendors of DynamicOdds and GBS would both defer $2,000,000 until 30 June 2024.

Note 31. Business combinations (continued)

As announced on 29 August 2018, the consideration for the acquisition of DynamicOdds and Global Betting Solutions contains a Performance Payment which is contingent upon the Earnings Before Interest and Tax ('EBIT') performance of both entities. The key terms are summarised below:

For Global Betting Services ("GBS");

- if the EBIT of GBS for the period 18 September 2018 to 17 September 2019 ('Performance Period') is less than $1,200,000, the Performance Payment will be nil;
- if the EBIT of GBS during the Performance Period is equal to or more than $1,200,000 but less than $1,500,000, the Performance Payment will be $1,000,000; or
- if the EBIT of GBS during the Performance Period is equal to or more than $1,500,000, the Performance Payment will be $3,000,000.

The Performance Payment is due on or before 31 October 2019.

For DynamicOdds ('DO');

- if the EBIT of DO for the period 1 September 2018 to 31 August 2019 ('Performance Period') is less than $1,250,000, the Performance Payment will be nil;
- if the EBIT of DO during the Performance Period is equal to or more than $1,250,000 but less than $1,500,000, the Performance Payment will be $1,500,000; or
- if the EBIT of DO during the Performance Period is equal to or more than $1,500,000, the Performance Payment will be $3,000,000.

The Performance Payment is due on or before 31 October 2019. Based on the performance of GBS and DO to 30 June 2019, and the subsequent positive performance and information available to management as at the date of signing, it is probable that a Performance Payment will be payable in relation to both acquisitions GBS and DO. As such, an estimated earn-out provision of $6,000,000 has been booked ($3,000,000 in relation to DO and $3,000,000 in relation to GBS).

The company has the discretion to pay the Performance Payments in cash, via the issue of ordinary shares in the capital of BET or a combination of both. If ordinary shares are issued to meet all or part of the Performance Payment, the value of the Performance Payment is based on the VWAP of BET's ordinary shares over the 15 trading days immediately prior to the date of payment, subject to a floor price of $0.10 per share. As an illustration, if the Performance Payments is paid in full in equity whilst the share price was at $0.06, the effective cost of issuing the equity would be $3,600,000. As such, the 30 June 2019 liability of $6,000,000 would be overstated by $2,400,000, and goodwill would be overstated by the same amount.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 31. Business combinations (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Operis Momentus Pty Ltd	Australia	100.00%	100.00%
TopBetta Pty Ltd *	Australia	-	-
12Follow Pty Ltd	Australia	100.00%	100.00%
OM IP Pty Ltd	Australia	100.00%	100.00%
OM Apps Pty Ltd	Australia	100.00%	100.00%
The Global Tote Australia Pty Limited	Australia	100.00%	100.00%
The Global Tote Limited	Alderney	100.00%	100.00%
Global Tote Lankan (PVT)	Sri Lanka	100.00%	100.00%
BetMakers DNA Pty Ltd	Australia	100.00%	-
AETEG Holdings Pty Ltd	Australia	100.00%	-
Global Betting Services Pty Ltd	Australia	100.00%	-
DynamicOdds Pty Ltd	Australia	100.00%	-
C.D.K. Software Limited	New Zealand	100.00%	-

* Divested on 30 June 2018.

Note 33. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax benefit/(expense) for the year	(3,604,757)	(5,976,540)
Adjustments for:		
Depreciation and amortisation	1,802,759	392,689
Impairment of goodwill	-	1,144,385
Net gain on disposal of non-current assets	-	(4,277,727)
Share-based payments	95,528	(7,945)
Foreign exchange differences	2,836	-
Revaluation of Earn-out	-	(1,144,385)
Finance costs - non-cash	-	(3,858)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	766,668	(304,119)
Increase in deferred tax assets	(1,015,707)	(1,808,328)
Decrease in prepayments	23,059	42,845
Increase/(decrease) in trade and other payables	(1,941,709)	482,505
Increase in provision for income tax	30,353	-
Increase/(decrease) in employee benefits	(148,914)	64,323
Increase/(decrease) in other provisions	905,700	(15,595)
Net cash used in operating activities	(3,084,184)	(11,411,750)

Note 34. Earnings per share

	Consolidated 2019 $	Consolidated 2018 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of BetMakers Technology Group Ltd	(3,604,757)	(314,992)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	231,888,382	162,308,941
Weighted average number of ordinary shares used in calculating diluted earnings per share	231,888,382	162,308,941

	Cents	Cents
Basic earnings per share	(1.55)	(0.19)
Diluted earnings per share	(1.55)	(0.19)

	Consolidated 2019 $	Consolidated 2018 $
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of BetMakers Technology Group Ltd	-	(5,661,548)

Note 34. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	231,888,382	162,308,941
Weighted average number of ordinary shares used in calculating diluted earnings per share	231,888,382	162,308,941

	Cents	Cents
Basic earnings per share	-	(3.49)
Diluted earnings per share	-	(3.49)

	Consolidated	
	2019 $	2018 $
Earnings per share for loss		
Loss after income tax attributable to the owners of BetMakers Technology Group Ltd	(3,604,757)	(5,976,540)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	231,888,382	162,308,941
Weighted average number of ordinary shares used in calculating diluted earnings per share	231,888,382	162,308,941

	Cents	Cents
Basic earnings per share	(1.55)	(3.68)
Diluted earnings per share	(1.55)	(3.68)

33,621,681 options over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2019. These options could potentially dilute basic earnings per share in the future.

Accounting policy for earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of BetMakers Technology Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 35. Share-based payments

The long-term incentives plan ('LTIP') program has been established by the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

Note 35. Share-based payments (continued)

Set out below are summaries of options granted:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/11/2015	12/11/2018	$0.20	4,750,000	-	-	(4,750,000)	-
12/11/2015	12/11/2018	$0.20	5,000,000	-	-	(5,000,000)	-
12/11/2015	21/06/2022	$0.06	16,667,000	-	-	-	16,667,000
28/07/2016	21/03/2019	$0.25	2,000,000	-	-	(2,000,000)	-
30/11/2016	30/11/2019	$0.30	1,000,000	-	-	(1,000,000)	-
30/11/2016	30/11/2019	$0.25	3,000,000	-	-	(3,000,000)	-
03/07/2017	31/10/2020	$0.30	1,954,681	-	-	-	1,954,681
03/07/2017	31/10/2020	$0.30	1,000,000	-	-	-	1,000,000
17/09/2018	30/11/2020	$0.12	-	4,000,000	-	-	4,000,000
21/06/2019	21/06/2022	$0.06	-	-	-	-	-
28/06/2019	27/06/2022	$0.06	-	10,000,000	-	-	10,000,000
			35,371,681	14,000,000	-	(15,750,000)	33,621,681

* The terms of the 16,667,000 options issued on 12/11/2015 were amended on 21/06/2019. Amendments included adjusting the Expiry Date from 12/11/2020 to 21/06/2022, and adjusting the Exercise Price from $0.25 to $0.06. These changes have been reflected above. Please refer to the Remuneration Report for further details on the amended terms of these options.

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/11/2015	12/11/2018	$0.20	5,000,000	-	(250,000)	-	4,750,000
12/11/2015	12/11/2018	$0.20	5,000,000	-	-	-	5,000,000
12/11/2015	12/11/2020	$0.25	16,667,000	-	-	-	16,667,000
28/07/2016	21/03/2019	$0.25	2,000,000	-	-	-	2,000,000
30/11/2016	30/11/2019	$0.30	1,000,000	-	-	-	1,000,000
30/11/2016	30/11/2019	$0.25	3,000,000	-	-	-	3,000,000
16/03/2017	16/03/2018	$0.30	4,500,000	-	-	(4,500,000)	-
14/06/2017	14/06/2020	$0.20	2,000,000	-	-	(2,000,000)	-
03/07/2017	31/10/2020	$0.30	-	1,954,681	-	-	1,954,681
03/07/2017	31/10/2020	$0.30	-	1,000,000	-	-	1,000,000
			39,167,000	2,954,681	(250,000)	(6,500,000)	35,371,681

Shares are granted under the Long Term Incentive Plan (LTIP), which has been established by the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

The weighted average share price was $0.089 (2018: $0.25).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.65 years (2018: 1.62 years).

Note 35. Share-based payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
12/11/2015	21/06/2022	$0.00	$0.06	45.00%	-	2.17%	$0.0470
12/11/2015	21/06/2022	$0.00	$0.06	45.00%	-	2.17%	$0.0200
17/09/2018	30/11/2020	$0.06	$0.12	50.00%	-	1.70%	$0.0070
28/06/2019	27/06/2022	$0.04	$0.06	28.96%	-	0.87%	$0.0050

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees and advisers. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services and to others as part of their compensation for services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined for each option granted using either the Binomial or Black-Scholes option pricing model, as appropriate, that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Chan
Chairman

Todd Buckingham
Director

29 August 2019
Sydney

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BETMAKERS TECHNOLOGY GROUP LIMITED
(Formerly known as The BetMakers Holdings Limited)

Report on the Financial Report

Opinion

We have audited the accompanying financial report of BetMakers Technology Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the financial report of BetMakers Technology Group Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Emphasis of Matter regarding Going Concern & Recoverability of Intangibles and Deferred Tax Assets

As noted in Note 2, the financial report has been prepared by the Directors on a going concern basis. The Directors have formed this view on the basis of the cash flow forecasts and assumptions as outlined in Note 2. If the assumptions are not realised, the going concern basis may not be appropriate and the company may be unable to realise its assets (including its intangibles and deferred tax assets) and discharge its liabilities in the normal course of business.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

Independence

We are independent of the consolidated entity in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Acquisition Accounting

Why significant	How our audit addressed the key audit matter
As set out in Note 31 of the financial statements, during the year ended 30 June 2019, the consolidated entity acquired two businesses, being DynamicOdds and Global Betting Services. Acquisition accounting involves the recognition and measurement of identifiable assets and liabilities at their fair value. This process is inherently complex and requires a level of judgement and assumptions. These judgements includes, but are not limited to, the determination of consideration payable and the intangible assets and goodwill acquired. The consideration payable includes expected future payments to the vendors of Global Betting Services and DynamicOdds based on the financial performance of those businesses. Management have considered the likelihood of these performance payments based on the current performance of the businesses. Based on the above, we have determined that the accounting relating to the acquisition of DynamicOdds and Global Betting Services during the year represents a key audit matter.	Our audit procedures included, but were not limited to: • considering the consolidated entity's assessment of the application of AASB 3 Business Combinations; • reviewing the accounting entries associated with the business combinations; • assessing the methodology applied to measure the consideration payable and recognise the fair value of identifiable assets and liabilities acquired; • validating inputs of the components of the business combinations to underlying support including settlement contracts; and • reviewing the related financial statement disclosures for the acquisition of the centres for consistency with the relevant financial reporting standards.

2. Impairment testing of goodwill and other intangible assets

Why significant

As disclosed in Note 12, the consolidated entity has goodwill and other intangible assets of $21.6m as at 30 June 2019. At the end of each reporting period, the consolidated entity is required to determine whether there is any indication that the intangible assets are impaired under AASB 136 *Impairment of Assets*.

An asset is considered impaired if its carrying value is greater than its recoverable amount. The consolidated entity uses the "value-in-use" methodology in determining the recoverable amount which measures the present value of future cashflows expected to be derived from these assets. The evaluation of the recoverable amount requires the consolidated entity to exercise significant judgment in determining key assumptions, which include:

- 5-year cash flow forecast;
- Terminal growth factor; and
- Discount rate.

The outcome of the impairment assessment could vary if different assumptions were applied. As a result, the evaluation of the recoverable amount of intangible assets including goodwill is a Key Audit Matter.

How our audit addressed the key audit matter

As part of our procedures we assessed the consolidated entity's determination of Cash Generating Units (CGUs). Our procedures included but were not limited to assessing and challenging:

- the accuracy of the FY20 budget approved by the Board by comparing the budget to FY19 actuals and other financial information;
- the key assumptions for long term growth in the forecast cash flows by comparing them to historical results and industry forecasts;
- the discount rate applied by comparing the Weighted Average Cost of Capital to industry benchmarks;
- on a sample basis, the mathematical accuracy of the cash flow models;
- management's sensitivity analysis in relation to key assumptions including discount rate, growth rate and terminal value; and
- the appropriateness of the disclosures including those relating to sensitivities in the assumptions used, included in Note 12

3. Recognition and Valuation of Deferred Tax Assets

Why significant

As disclosed in Note 13 of the financial report, at 30 June 2019 the consolidated entity has recorded a deferred tax asset of $6.5m relating to deductible temporary differences and tax losses incurred.

As noted in Note 3 of the financial report, deferred tax assets are only recognised if the consolidated entity considers it probable that future taxable income will be generated to utilise these temporary differences and losses.

Significant judgement is required in forecasting future taxable income.

Based on the above, we have considered the recognition and valuation of deferred tax assets to be a Key Audit Matter.

How our audit addressed the key audit matter

We have assessed and challenged management's judgements relating to the consolidated entity's forecasts and the ability to generate future taxable income, and also the recognition criteria under AASB 112.

Our procedures included but were not limited to:

- the reasonableness of key assumptions used in the forecasts with respect to income and expenditure;
- testing, on a sample basis, the mathematical accuracy of the cash flow models; and
- reviewing the nature of the deferred tax asset (i.e. temporary differences or revenue / capital losses) and its probability of being realised in accordance with the carried forward tests.
-

We have also assessed the appropriateness of the disclosures included in Note 13 in respect of the deferred tax balances.

Key Audit Matters (cont'd)

4. Revenue recognition

Why significant	How our audit addressed the key audit matter
The consolidated entity's sales revenue amounted to $6.169m during the year. Note 2 Revenue Recognition describes the accounting policies applicable to distinct revenue streams, being Content & Integrity Services and Wholesale Wagering Products. We note that revenue from services is recognised in line with the delivery of services and is based on the contracted fee or reported turnover. The recognition of revenue is considered a key audit matter due to the introduction of AASB 15 Revenue from Contracts with Customers, and the relative complexity of processes supporting the determination and accounting of each revenue stream.	Our procedures included, but were not limited to, the following: • for a sample of contracts across each of the revenue streams, evaluating the contracts and agreeing revenue amounts recorded in the financial statements, including supporting systems and bank records; • these procedures enabled our assessing of the values recorded and the timing of revenue recognition as appropriate to the period of service provision; • assessing the accuracy of revenue cut off and completeness of revenue deferred in accordance with the principles of AASB 15 as of the year end; and • assessing the consistency of the Consolidated Entity's accounting policies in respect of revenue recognition with the criteria prescribed by AASB 15.

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

Directors' Responsibilities for the Financial Report (cont'd)

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of BetMakers Technology Group Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

PKF

MMatthews

MARTIN MATTHEWS
PARTNER

29 AUGUST 2019
NEWCASTLE, NSW

BetMakers Technology Group Ltd
(Formerly known as The BetMakers Holdings Limited)
Shareholder information
30 June 2019

The shareholder information set out below was applicable as at 25 July 2019.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	54	-
1,001 to 5,000	131	-
5,001 to 10,000	127	-
10,001 to 100,000	448	-
100,001 and over	283	9
	1,043	9
Holding less than a marketable parcel	254	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
TEKKORP HOLDINGS LLC	82,656,649	19.99
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	55,094,762	13.32
CHRISTOPHER ROBERT BEGG	33,333,333	8.06
RBW NOMINEES PTY LTD (RBW DISCRETIONARY A/C)	17,263,224	4.18
SANDHURST TRUSTEES LTD (JMFG CONSOL A/C)	15,206,987	3.68
SPENCELEY MANAGEMENT PTY LTD (SPENCELEY FAMILY S/F A/C)	9,243,216	2.24
GILLARD SUPERANNUATION PTY LIMITED (GILLARD SUPER FUND A/C)	6,384,000	1.54
LOBSTER BEACH PTY LTD	6,305,547	1.52
18 KNOT VENTURES PTY LTD (GREEN ARROWS A/C)	6,296,203	1.52
CITICORP NOMINEES PTY LIMITED	6,098,265	1.47
PECOT MELLE INVESTMENTS PTY LTD (PARK ST A/C)	5,000,563	1.21
JODAHBI PTY LIMITED (WILGAFLO INVESTMENTS PTY LTD)	4,508,152	1.09
CG NOMINEES (AUSTRALIA) PTY LTD	4,403,724	1.07
MR PAUL TOMLIN	4,392,857	1.06
TODD CAMERON BUCKINGHAM	4,000,000	0.97
RBW SUPER NOMINEES PTY LTD (RBW RETIREMENT FUND A/C)	4,000,000	0.97
RBW NOMINEES PTY LTD (RBW A/C)	3,732,142	0.90
CLACKMANNAN PTY LTD (TF ASSOCIATES P/L S/F A/C)	3,000,000	0.73
FUTURE LAND LIMITED	3,000,000	0.73
R J & A INVESTMENTS PTY LTD (MULLER MORVAN FAMILY A/C)	2,872,024	0.69
	276,791,648	66.94

Unquoted equity securities

	Number on issue	Number of holders
Unlisted Options expiring 21 June 2022 with strike price at $0.060	16,667,000	1
Unlisted Options expiring 31 October 2020 with strike price at $0.30	2,954,681	5
Unlisted Options expiring 30 November 2020 with strike price at $0.125	4,000,000	1
Unlisted Options expiring 27 June 2022 with strike price at $0.060	10,000,000	2

Substantial holders

The following holders are registered by the company as a substantial holder, having declared a relevant interest in accordance with the Corporations Act 2001 (Cth), in the voting shares below:

	Ordinary shares	
	Number held 1	% of total shares issued 2
Tekkorp Holdings LLC	82,656,649	19.99
Christopher Robert Begg	33,333,333	8.06
Industry Super Holdings Pty Ltd	29,947,388	7.24
Renee Bridget Walker	24,995,366	6.04

	Options over ordinary shares	
	Number held	% of total options issued
Todd Cameron Buckingham	16,667,000	-

1 As disclosed in the last notice lodged with the ASX by the substantial shareholder
2 The percentage set out in the notice lodged with the ASX is based on the total issued capital of the Company at the date of interest.

Voting rights

Ordinary shares
Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders:

(a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

Options
Options do not carry any voting rights.

Share Buy-Backs

There is no current on-market buy-back scheme.