

15 September 2022

BetTube Corporation Limited

Punting for all

BetTube Corporation Ltd (NSX:BOX) listed on the NSX on 13 July 2022 as a direct entry listing to provide liquidity to existing shareholders. The company acquired a sports bookmaker licence from the Northern Territory in January 2021 and launched its wagering platform - Bet Right. BOX intends to provide a better wagering entertainment solution with innovative offerings of wagering products and services with responsible gambling and harm minimisation embedded in the group's culture, structure and processes. BetTube intends to operate its platform in the Australian market at www.betrightright.com.au and with that experience to create new markets with a Platform-as-a-Service (PaaS) strategy.

Business model and capital structure

The BetTube Group generates revenues through its subsidiary IRPSX P/L, trading as BetRight, which is licensed by the Northern Territory Racing Commission. BetRight offers retail gamblers a range of racing, sports, entertainment and political betting products via BetTube's cloud-based wagering platform. Revenue is the amount received from gamblers who placed losing bets less the amount paid to gamblers who placed winning bets. BetRight's revenues for the eight months since launch were over \$12.7m. BOX has a two-tier capital structure as a consequence of previous funding rounds. There are 192.2m ordinary shares (including 119.8m restricted shares controlled by the CEO, 63% of issued capital). Additionally, there are 51.7m A class preferred shares with equal rights and 1:1 conversion to ordinary shares in the event of an IPO. The A class shares have precedence in dividend payments up to \$0.20 p.s. Finally, there are 47.2m options issued with a range of expiry dates in 2028.

Outstanding Legal Matter

BOX noted in its 2021 and 2022 annual reports that its subsidiary IRPSX had been advised by Liquor & Gaming NSW that a total of six advertisements (two distinct advertisements, each published in three different media) had been published in breach of a prohibition on advertising containing unlawful inducements. The company noted that IRPSX has conducted reviews and implemented changes to its internal procedures. A hearing on the matter is scheduled for 28 November 2022. The company faces a maximum penalty of \$110,000 for each advertisement or \$660,000 in total.

Strong Cash Generation

BOX reported FY22 revenue of \$20.03m and gross profit of \$11.16m, significantly ahead of the \$0.38m in revenues generated in FY21. EBITDA was positive at \$0.47m, compared with a loss of \$1.78m the year before. Operating cashflow for the year was \$5.02m. The company ended the year with \$11.16m in net cash.

Earnings history (in A\$m unless otherwise stated)

Year ended	Revenue	EBITDA	PBT	NPAT	EPS (c)	OCF
Jun-21	0.383	(1.78)	(1.95)	(1.95)	(1.19)	(1.05)
Jun-22	20.026	0.47	(0.14)	(0.41)	(0.17)	5.02

Sources: Prospectus; annual report.

Shares Summary

Share code	BOX
Share price at 14-Sept	\$0.14
Market capitalisation	\$26.9M
Number of shares	192.2M
Net cash at 30-Jun-2022	\$11.16M
Share registry	Boardroom P/L

RaaS 5-Point Score* = 4/5

Revenue increasing (1); EPS increasing (1), Return on Capital Employed [ROCE] (0); EBIT interest cover >3x (1) Gross operating cash flow/EBITDA >90%(1)

Upside Case

- Increased utilisation of betting offer
- Market share gains due to ease of use
- Successful offer of Platform-as-a-Service

Downside Case

- Macro conditions reduce gaming spend
- Competitive response reduces market share gains
- Loss of court case against Liquor & Gaming NSW

Board of Directors

Exec. Chairman	Anthony Waller
Exec. Director	Weng Nian Siow
Director	Paul Weekes

Catalysts

- Market share gains in Australian sports betting
- Outcome of legal matter
- Sale of PaaS to third parties

Comparable Companies

BlueBet Holdings (ASX: BBT), Pointsbet (ASX:PBH), Jumbo Interactive (ASX:JIN)

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* The RaaS 5-Point score is based on the company's performance in its last reported full year. Past performance is not a reflection of future performance.

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FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 6th May 2021



About Us

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

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

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

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

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

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If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

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

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

Professional Indemnity Insurance

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