

29.04.2025 | ASX ANNOUNCEMENT

# On Track to Cashflow Positive Executing on Existing Contracts and Advancing Sales Pipeline

**DataWorks Group Limited (ASX: DWG)**, a global leader in advanced self-exclusion technologies addressing problem gambling, is pleased to release its Appendix 4C Report and accompanying business update for the third quarter of FY25, ending 31 March 2025.

## Q3 Highlights:

During the third quarter, DataWorks Group Limited (DWG) continued to strategically grow its global RegTech footprint, delivering strong operational performance across its core existing contracts – BetStop in Australia and iGO in Ontario, Canada. Notably, DWG successfully secured an early two-year extension of its BetStop contract with the Australian Communications and Media Authority (the ACMA), reflecting continued strong performance of DWG's technology solution and strong contract delivery and reliability.

Additionally, DWG advanced its growth initiatives by formally submitting a proposal for a significant centralised self-exclusion opportunity, as well as also progressing multiple other pipeline opportunities across various international markets, positioning the business for further expansion in the periods ahead.

## Q3 FY25 Key Results:

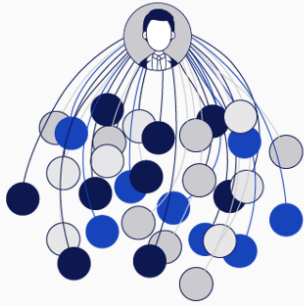
- Quarterly cash receipts: \$1.3 million
- Operating cash outflow: \$1.45 million (which was in line with expectations)
  - Administration and corporate costs reduced close to 25% quarter on quarter, which reflects the permanent cost reduction initiatives actioned in prior quarters.
  - Staff costs remained largely stable quarter on quarter at approximately \$1.5 million. DWG transitioned to a quarterly PAYG payment frequency due to higher Group revenue levels, which meant that a one-off lump sum PAYG payment of \$1.2 million was paid to the ATO in January (having previously been accrued) upon receipt of the recent R&D grant for the same amount. This payment is included with the above staff costs in item 1.2(e) in the attached Appendix 4C.
- DWG remains confident in achieving its previously stated goal of generating positive quarterly operating cash flow by the December quarter 2025. This expectation is underpinned by recent significant cost reductions and anticipated revenue growth from existing contracts, assuming timely execution of planned delivery milestones.
- Cash Position: \$1.4 million in cash and cash equivalents, sufficient to achieve targeted positive quarterly operating cash flow by the December quarter 2025. Notably, cash inflows from existing contracts are forecast to rise substantially in the June quarter of 2025 and throughout the remainder of the calendar year upon completion of key contract milestones.
- DWG continues to progress multiple advanced global sales opportunities. Any successful contract awards in the RegTech division is expected to materially enhance the financial outlook presented above.



## RegTech Division

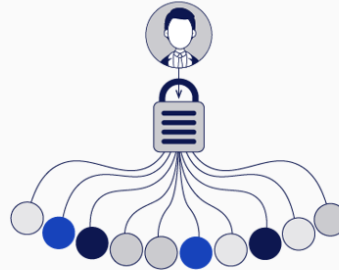
### Traditional Self-Exclusion Model

This approach requires players to exclude themselves from each individual iGaming site—an ineffective, insecure, and impractical solution.



### Centralised Self-Exclusion

Players self-exclude once, instantly blocking access to all sites. This approach is effective, secure, and straightforward while also providing valuable data for harm minimisation initiatives.



### BetStop™ – The National Self Exclusion Register - Australia

- **Contract Extension:** Successfully secured a contract extension through to 30 June 2027, maintaining the original terms as novated to DWG in June 2023.
- **User Growth:** More than 40,000 total enrolments on the BetStop platform since launch.
- **System Performance:**
  - Exceeded 25 billion verification checks since inception (20 months ago).
  - The DataWorks Matching Service achieved 100% uptime
  - Consistent response times averaging under 5 milliseconds per check.
  - Completed integrations with 197 operators
- **Operating Performance:** DWG delivered another quarter of strong operating performance, reinforcing its position as the world's sole provider of advanced CSE solutions for the iGaming industry. This continued success highlights the uniqueness of DWG's offering and strengthens its competitive advantage when pursuing new contract opportunities.

### iGO - Ontario, Canada

- The solution build phase is progressing steadily and in line with the planned project schedule.
- Key project milestones are being met in accordance with contractual expectations:
  - **Milestone 2** has been successfully delivered by DWG and fully accepted by iGO.
  - **Alpha trials** with iGaming operators are currently underway, with no adverse outcomes reported to date.
  - **Beta trials** are scheduled to commence shortly.
  - In addition, DWG is in discussions with iGO regarding additional solutions which fall outside the current project scope.
- The overall delivery timeline remains on track, aligned with the agreed contractual milestones, and targeting go-live in late 2025.

### RegTech Sales Pipeline & Growth Opportunities

- **Domestic Expansion:** DWG formally submitted a proposal during the quarter for a major domestic land-based CSE contract. A decision is anticipated in the first half of calendar year 2025.
- **Omni-Channel Vision:** The Company continues to advance its strategy to deliver an integrated online and on-premise ("omni-channel") CSE solution. This approach is designed to offer enhanced protection for at-risk individuals while significantly expanding DWG's total addressable market (TAM).
- **International Pipeline:** Several advanced sales opportunities remain active, including in Alberta, Canada, where progress in iGaming legislation is expected to unlock a new contract opportunity during CY2025.



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- **Global Reference Sites:** DWG currently operates Australia's only commercial CSE solution and is deploying Canada's first in Ontario - representing the world's only technologically advanced CSE implementations. These sites serve as critical references for international regulators and prospective clients.
  - **Proactive Market Engagement:** The Company is actively engaged in multiple international markets where iGaming regulation is newly enacted or forthcoming. In parallel, DWG is pursuing emerging land-based opportunities as they arise. Its status as the sole provider of proven, award-winning CSE technology positions it strongly to win additional mandates.
  - **Late-Stage Discussions:** Several late-stage contract discussions are progressing across multiple jurisdictions. However, timing remains subject to the nuances of government procurement processes.

## **Secure Data Engine Division**

This innovative SEAF technology solution - powered by DWG's Secure Data Engine - is successfully progressing through its pilot stage in collaboration with key strategic partners, including Microsoft, the Western Australian Government, and the Western Australian Biodiversity Science Institute (WABSI). Comprehensive updates outlining the future roadmap, critical milestones, and annual goals are anticipated from WABSI in the coming months, although minor delays have been experienced due to ongoing project funding discussions. Greater clarity on funding and prioritisation is expected following the completion of the Federal election in Australia. The outcome of the election has potential to see renewed emphasis on environmental initiatives, potentially clarifying the SEAF project's advancement and strategic significance.

## **datapowa Division and Review of Strategic Options**

Revenue from datapowa declined by 35% during the quarter, primarily due to delays in the signing of new contracts with major sports marketing agencies. These delays reflect the extended nature of ongoing negotiations rather than a loss of commercial interest, but they have nonetheless impacted short-term revenue performance.

At the same time, DWG's strategic realignment towards high-growth opportunities within its RegTech division has increasingly positioned datapowa as non-core to the Group's future financial and strategic priorities. The contrast in scalability, addressable market size, and contract materiality between the two divisions has further clarified where management focus and capital are best directed.

Accordingly, the Board has resolved to actively pursue strategic alternatives for datapowa, including a potential sale to its existing management team. This decision reflects DWG's view that its RegTech business represents the Company's most distinctive global competitive advantage, underpinned by proprietary technology and significant growth potential.

By prioritising the RegTech division, DWG aims to ensure that resources and executive attention are allocated to areas with the greatest capacity to drive long-term shareholder value and earnings growth.

Further updates on the review and its outcomes will be provided in due course.



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## **DataWorks Group - Financial Highlights**

- **Revenue & Cash**
  - FY25 contracted revenue exceeds A\$9m, including government R&D rebate (now received).
  - Quarterly cash receipts: \$1.3m
  - R&D rebate (\$1.14m) received in January 2025.
  - Operating cash outflow of \$1.4m (in line with expectations)
- **Significant Reduction Seen in Administration & Corporate Costs**
  - Recent cost reduction initiatives have started to positively impact DWG's financial performance, with a permanent reduction of close to 25% in administration and corporate expenses seen during the quarter.
    - Item 1.2(f) in the attached Appendix 4C reflects a reduction of approximately 50% quarter on quarter. However, the Company notes that the prior quarter included a one-off BetStop-related passthrough expense of \$459,000, which did not recur in 3QFY25 and therefore impacts the comparability of the figures.
  - These cost reductions are permanent and support a substantial decrease in operating cash outflows anticipated in future quarters, including a projected transition to cash-positive operations by the final quarter of calendar year 2025.
- **Staff Costs Reflect Operational Discipline Amid Ongoing Business Expansion**
  - Staff-related expenses remained broadly consistent quarter-on-quarter, with total costs of approximately \$1.5 million. This reflects DWG's continued focus on disciplined cost management while supporting operational growth across both core and developing business units.
  - However, item 1.2(e) in the attached Appendix 4C shows a higher reported figure of \$2.7 million for the quarter. This is due to the inclusion of a one-off lump-sum PAYG payment of \$1.2 million made to the Australian Taxation Office. This payment arose as a result of DWG's transition from a monthly to a quarterly PAYG withholding payment cycle, triggered by the Group's increased consolidated revenue levels. The full amount had been accrued in prior periods and was paid in January following the receipt of the Company's FY24 R&D tax incentive.
  - The underlying stability of the core staff costs quarter-on-quarter provides DWG with a reliable platform for continued execution of Group strategic initiatives with a focus on operating efficiencies and appropriate margin delivery as the business transitions to cash positive.
- **Financial and Strategic Outlook**
  - DWG's cost base has now been optimized relative to its revenue, successfully delivering planned cost savings.
  - The Group's primary focus has shifted entirely to the strong execution of existing contracts and securing new contract opportunities.
  - A significant reduction in operating cash outflows is expected in the June quarter (Q4 FY25), driven mainly by increased cash receipts from the iGO (Ontario) contract, which progressively escalate throughout CY25, alongside previously detailed cost reduction measures.
  - DWG remains confident of achieving positive quarterly operating cashflow by the December quarter (Q4 CY25), assuming execution aligns with contracted delivery schedules.
  - DWG's current cash position remains sufficient to facilitate this transition to positive cashflow, subject to anticipated timing of cash inflows and outflows aligned with the expected contract delivery.
  - Additionally, DWG has multiple advanced sales opportunities progressing globally, and securing any additional contracts over the course of the calendar year would materially enhance the financial performance of the business.
- **Update on M&A Potential**
  - The global iGaming market is experiencing rapid growth and widespread adoption, prompting increased regulatory focus on player protection.
  - DWG continues to actively evaluate potential merger and acquisition opportunities within the global RegTech market, with the aim of strengthening its market position and enhancing shareholder value.
  - DWG maintains rigorous acquisition criteria, prioritizing immediate and clear shareholder value accretion, and confirms that no M&A opportunities have yet reached an advanced stage.



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## **Summary of Key News Flow and Corporate Events During the Quarter**

### **Corporate Identity**

To align with the Company's sharpened strategic focus and operational outlook, a corporate rebranding to DataWorks Group Limited was completed during the quarter, following shareholder approval at the General Meeting held on 17 March 2025. The new identity more accurately reflects the Company's mission and long-term objectives as a global leader in data gambling prevention technologies and secure data collaboration.

### **Completion of Share Consolidation**

Further to shareholder approval received at the General Meeting held on 17<sup>th</sup> March 2025, the consolidation of the Company's share capital on a 1 for 20 basis was also affected.

Shareholders are reminded that the number of shares they hold has now been reduced in accordance with the 1 for 20 consolidation ratio, with any fractional entitlements rounded down to the nearest whole number (to a minimum of 1 security). Shareholders should also note that, since the consolidation, the Company's share price has traded at a commensurate ratio, reflecting the consolidation, such that the value of their holding has remained broadly consistent (subject to normal market movements).

### **Early Renewal of BetStop Contract**

DWG secured an early two-year extension to its exclusive BetStop™ National Self-Exclusion Register (NSER) contract with the ACMA, extending the agreement through to 30 June 2027. The extension was granted on the same commercial terms, reflecting DWG's strong operational performance since the NSER went live in August 2023.

The early renewal demonstrates the ACMA's confidence in DWG's technology and positions the Company for additional future contract extensions and similar CSE opportunities in global markets.

## **Q4 FY24 Financial Update**

Net operating cash outflows for the quarter were \$1.45 million, consistent with Management expectations. The cash burn was also influenced - though to a lesser extent than in previous quarters - by the timing of receipts from the iGO (Ontario) contract. While the iGO solution build remains ongoing, contracted payments have now commenced, with a more substantial uplift in cash receipts expected from the June quarter onwards.

As a result of these factors, DWG anticipates achieving positive operating cash flow by Q4 CY25, funded from current cash reserves. This may be further enhanced by the successful conversion of opportunities currently under advanced negotiation within the Company's sales pipeline.

### **Cash Receipts**

- Cash receipts of \$1.3 million during the quarter were down on the prior quarter, reflecting the prior quarter's inclusion of a BetStop milestone payment. Otherwise the figure represents the generally stable nature of the BetStop contract and DWG's other business divisions.
- The R&D rebate (c \$1.14 million) was received in January and was used to offset accrued PAYG tax liabilities.

Cash and cash equivalents at the end of the quarter amounted to \$1.4 million, which is expected to fund the business through to positive cashflow later in CY25, subject to normal business risks and timing of cash inflows and payments in line with currently expected contract delivery.

Net cash outflows from investing activities were \$5,665 for the quarter.



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Net cash inflows from financing activities were \$97,054 for the quarter.

Directors, being related parties of the Company, were paid remuneration in the amount of \$128,503 during the September quarter. No other related party payments were made.

**-ENDS-**

This announcement has been approved for release by the Board of DWG.

For enquiries regarding this release please contact:

**DataWorks Group**

Mr Al Watson  
Chief Executive Officer  
contact@dataworksgroup.com.au

To learn more, please visit: [www.dataworksgroup.com.au](http://www.dataworksgroup.com.au). DataWorks' registered address is Level 11, 201 Miller Street, North Sydney, NSW 2060.

**About DataWorks**

**DataWorks Group Limited (ASX:DWG)** is a leading Regulated Gaming Technology (RegTech) company, specializing in unique innovative technologies to combat problem gambling.

DWG's solutions, including **BetStop™ National Self-Exclusion Register**, which enable vulnerable individuals to safeguard themselves from the harms of gambling addiction. the NSER, operated exclusively for the Australian Government, empowers Australians to self-exclude from all licensed interactive wagering services for periods ranging from three months to a lifetime.

As a pioneer in regulated gaming technology, DWG is driving social impact by delivering secure, scalable, and ESG-aligned solutions for governments and operators worldwide. Leveraging its deep expertise in data security and compliance, DWG is redefining the future of responsible gambling technologies on a global scale.



## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

DataWorks Group Limited

**ABN**

85 612 182 368

**Quarter ended ("current quarter")**

Mar-25

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>Year to date (9 months) \$A</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,273,207	5,285,066
1.2 Payments for		
(a) research and development	(122,362)	(344,502)
(b) product manufacturing and operating costs	(48,625)	(156,641)
(c) advertising and marketing	-	-
(d) leased assets	(9,148)	(88,159)
(e) staff costs	(2,721,814)	(6,604,062)
(f) administration and corporate costs	(977,313)	(4,085,146)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3,726	15,185
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,146,903	1,146,903
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,455,426)</b>	<b>(4,831,356)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5,665)	(5,999)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A	Year to date (9 months) \$A
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5,665)</b>	<b>(5,999)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100,000	5,148,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(307,106)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,946)	(8,623)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>97,054</b>	<b>4,832,771</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,453,002	1,097,952
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,455,426)	(4,831,356)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,665)	(5,999)

Consolidated statement of cash flows		Current quarter \$A	Year to date (9 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	97,054	4,832,771
4.5	Effect of movement in exchange rates on cash held	(10,792)	(15,195)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,078,173</b>	<b>1,078,173</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	1,078,173	2,453,002
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	283,214	283,214
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above). As at 31 March 2025 IXUP's cash, term deposits and security deposits at the end of the quarter totalled \$283,214.</b>	<b>1,361,385</b>	<b>2,736,216</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	(128,503)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
<p><i>"Notes</i> 6.1 Directors, being related parties of the Company, were paid remuneration in the amount of \$128,503 during the March quarter. No other related party payments were made."</p>		

7.	Financing facilities	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1	Loan facilities	13,737	13,737
7.2	Credit standby arrangements	-	-
7.3	Other	283,214	-
7.4	<b>Total financing facilities</b>	<b>296,951</b>	<b>13,737</b>
7.5	<b>Unused financing facilities available at quarter end</b>		283,214
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>St George Term Deposit \$50,000, interest rate 4.80% p.a., maturity date 09/10/2025. This Term Deposit secures credit card facilities.</p> <p>A security deposit of \$42,941 related to office space leased in North Sydney is being held by Sydney Harbour Federation Trust.</p> <p>A security deposit of \$190,273 related to office space leased on North Sydney is being held by St George to secure the bank guarantee.</p> <p>Loan Facility is with NatWest in the UK, 100% is secured by the UK government under the Bounce Back Loan Scheme and is repayable 2026. No repayments or interest are charged in the first year, after which interest is charged at 1.5% p.a.. Repayments began in June 2021.</p>		

8.	Estimated cash available for future operating activities	\$A
8.1	Net cash from / (used in) operating activities (item 1.9)	<b>(1,455,426)</b>
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,078,173
8.3	Unused finance facilities available at quarter end (item 7.5)	283,214
8.4	Total available funding (item 8.2 + item 8.3)	1,361,385
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.94
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

As outlined in the previous quarter, the Company has implemented a significant reduction in operating costs to better align its ongoing cost base with both current and anticipated revenue-generating contracts.

The March quarter marked the commencement of cash inflows from the previously announced iGO (Ontario) contract, linked to scheduled project milestones with the overall contract continuing to track to plan. Revenue from this contract is expected to scale materially over the remainder of the calendar year, with a notable increase anticipated during the June quarter. These additional revenues are projected to substantially reduce the Company's operational cash burn beginning in the June quarter.

Subject to the expected timing of cash receipts and associated contract delivery milestones, the Company is targeting cash flow breakeven by the December quarter, reflecting improved revenue visibility and the benefits of a leaner operating structure.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

As outlined in item 8.6.1 above, the Company does not currently anticipate the need to raise additional capital, given its materially reduced cost base and the commencement of revenue-generating contracts that are expected to significantly reduce cash burn over the coming quarters.

Should additional funding be required in the future, the Company is confident in its ability to access a range of potential funding avenues, including both debt and equity alternatives. DWG has a demonstrated track record of successfully raising capital when needed and does not foresee any material impediments to securing future funding, should it become necessary to support ongoing operations or strategic growth initiatives.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. Forecast revenue is expected to support the Company's reduced cost base and the Board expects the company to be able to meet its business objectives.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 April 2025 .....

Authorised by: ....By the Board.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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