

30.07.2025 | ASX ANNOUNCEMENT

# Cost Discipline and Revenue Growth Deliver Over 50% Reduction in Cash Outflows - on Path to Cash Positive in 2025

**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 fourth quarter of FY25, ending 30 June 2025.

## Q4 Highlights:

During the quarter, the Company continued to deliver strongly against its existing contracts while exercising disciplined cost management. As forecast, this led to significantly improved financial performance, with an increase in revenues, a continuation of sustainably reduced costs and a consequential reduction in operating cash outflows of more than 50% compared to the previous quarter. The quarter-end cash balance was in line with expectations, noting that a significant balance of customer receipts was received or are expected to be received after 30 June, consistent with standard payment terms and budgeted contract milestones.

As anticipated, cash receipts from the Ontario iGaming (iGO) contract in Canada increased significantly in Q4, aligned with contracted delivery milestones. With further increases in iGO receipts expected over the next two quarters, DWG anticipates a further material uplift in total cash inflows. As a result, the Company expects its calendar year-end cash balance to be materially higher than the 30 June level (assuming timely execution of planned delivery milestones, which all remain on track). This transition to positive operating cash flows is underpinned by existing contracts, with any new contract wins expected to further strengthen this position.

DWG continues to await the outcome of a previously submitted proposal for a significant centralised self-exclusion opportunity, as well as also progressing multiple other pipeline opportunities across various international markets, opportunities for which the Company believes it is strategically and competitively positioned.

During the quarter, DWG was pleased to note the appointment of its Chief Executive Officer, Al Watson, to the Board of the Responsible Gambling Council, reflecting industry-wide recognition of his deep expertise in the global responsible gambling sector. This appointment is expected to further strengthen DWG's position at the forefront of technology enabled player protections across all forms of gambling.

## Q4 FY25 Key Results:

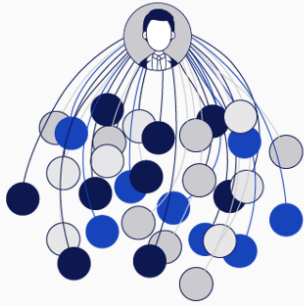
- Quarterly cash receipts: \$2.2 million (**69% increase q-on-q**)
- Operating cash outflow: \$0.7 million (**52% lower q-on-q**)
  - Administration and corporate costs remained broadly flat q-on-q, reflecting ongoing expense discipline across the business.
  - Staff costs were almost 40% lower q-on-q, due mostly to the prior quarter's one-off catch up PAYG payment (detailed in the prior quarterly report)
- DWG reaffirms its previously stated expectation of generating positive quarterly operating cash flow by the December quarter 2025. This expectation is underpinned by revenue growth from existing contracts, assuming timely execution of planned delivery milestones, which all remain on track.
- Cash & Cash Equivalent Position: \$0.64 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 have been and will continue to grow over 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 will materially enhance the financial outlook presented above.



## RegTech Division

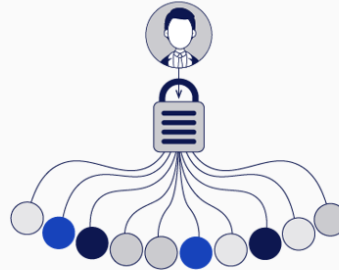
### Traditional Self-Exclusion Model

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 Update:** The BetStop contract's initial renewal in the March 2025 quarter was for a further 2-year period and remains in a state of highly successful execution providing meaningful cash generation for the Company.
- **User Growth:** More than 45,000 registrations since launch, with more than 30,000 currently active individuals utilising the BetStop platform
- **System Performance:**
  - Exceeded 28 billion verification checks since inception (23 months ago).
  - The DataWorks Matching Service has achieved 100% uptime since launch in August 2023
  - Consistent response times averaging under 5 milliseconds per check.
  - Completed integrations with 202 operators, including seamless integrations and operations with most of the major international gambling organisations (149 active)
- **Operating Performance:** DWG delivered another quarter of strong operating performance, reinforcing its position as the world's sole and leading 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 development work is scheduled to be completed end of August 2025.
- Key project milestones are being met in accordance with contractual expectations:
  - **Milestone 3** has been successfully delivered by DWG and fully accepted by iGO.
  - **Milestone 4** has been successfully delivered by DWG and fully accepted by iGO.
  - **Beta trials** have commenced and iGO is scheduled to release policies in coming week, necessary for operators to finalise integration programs.
  - 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 and aligned with the agreed contractual milestones.

### RegTech Sales Pipeline & Growth Opportunities

- **Domestic Expansion:** DWG awaits the decision on a formally submitted proposal for a major domestic land-based CSE contract. The decision, which was expected in the first half of calendar year 2025, is now expected in the September quarter.
- **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



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for at-risk individuals while significantly expanding DWG's total addressable market (TAM) from purely online, to also encompass the much larger land-based gambling sector.

- **International Pipeline:** Several advanced sales opportunities remain active, including in Alberta, Canada, where progress in Alberta's iGaming legislation continues to progress as expected. Other late-stage contract discussions are also progressing across multiple jurisdictions, however, timing remains subject to the nuances of government procurement processes
- **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.

### **Secure Data Engine Division**

The SEAF technology solution, powered by DWG's Secure Data Engine (SDE), remains in the pilot phase, with positive progress particularly in the Pilbara spoke. The project continues to be supported by key strategic partners, including Microsoft, the Western Australian Government, and the Western Australian Biodiversity Science Institute (WABSI). DWG has fully and successfully delivered the necessary functionality and system components, however at this stage, clarity remains low on the timing and scope of any potential expansion beyond the pilot phase, with further developments expected toward the year-end. Delays in potential expansion are primarily due to competing policy priorities and ongoing funding discussions, in which DWG is not directly involved, which have resulted in a lack of clarity on next-stage requirements and program timing, both of which are needed to proceed beyond the pilot phase.

### **Closure of datapowa Division**

As noted in the previous quarterly report, the performance of the datapowa division has continued to fall short of expectations. Following a comprehensive internal strategic review, including consideration of a potential sale to third parties or existing management, no viable transaction could be secured.

Due to the division's ongoing underperformance relative to budget and the prospect of requiring further capital investment during calendar 2025, DWG has made the decision to formally wind down datapowa and cease its operations. With a less certain path to sustainable cash generation, further investment in datapowa was not considered an efficient use of DWG's capital resources.

This decision aligns with DWG's sharpened strategic focus on its RegTech division, which offers greater scalability, recurring revenue potential, and a clear competitive advantage underpinned by proprietary, globally validated technology. By concentrating capital and executive bandwidth on the RegTech business, DWG is well positioned to accelerate growth, enhance operating leverage, and drive long-term shareholder value.



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## **DataWorks Group - Financial Highlights**

- **Cash Receipts and Cash Flow**
  - Quarterly cash receipts: \$2.2m
  - Operating cash outflow of \$0.7m (>50% lower than the prior quarter and in line with budgeted expectations)
- **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 (excluding the prior quarter's one-off PAYG payment, which was detailed in the prior quarterly report).
  - This result reflects DWG's continued focus on disciplined cost management while supporting operational growth across both core and developing business units.
  - The underlying stability of the core staff costs 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 looks to deliver positive operating cash flow by the December quarter (Q4 CY25) and targets further contract wins in the quarters ahead.
- **FY25 Performance**
  - DWG confirms that full year revenue for the FY25 financial year is expected to be approximately \$8.5 million, with the final figure to be confirmed upon completion of the full year accounts.
  - This result is marginally below expectations, primarily due to the underperformance of the datapowa division. As previously advised, this division has now ceased operations, a move expected to deliver a net benefit to DWG's overall cash flow and profitability.
- **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.
  - The trend of significant reduction in operating cash outflows seen in the June quarter (Q4 FY25), is expected to continue, driven mainly by increased cash receipts from the iGO (Ontario) contract, which progressively escalate throughout the remainder of calendar year 2025.
  - DWG remains confident of achieving positive quarterly operating cashflow by the December quarter (Q4 CY25), assuming execution aligns with contracted delivery schedules, which remain on track.
  - 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.

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

Dataworks CEO AI Watson, has been appointed to serve on the Board of Directors of the Responsible Gambling Council (RGC). The RGC is a non-profit organization dedicated to promoting safe and healthy gambling practices through research, education, and policy advocacy. Its mission is to reduce the harm caused by gambling and support individuals, families, and communities affected by gambling problems. The RGC works collaboratively with governments, regulators, and industry stakeholders to develop effective harm-



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minimization strategies, raise awareness about responsible gambling, and promote informed decision-making among consumers.

Milestones 3 and 4 of the iGO program were successfully delivered and fully accepted by iGO, and Beta trials with operators have commenced.

## **Q4 FY25 Financial Update**

Net operating cash outflows for the quarter were \$0.7 million, which was a >50% reduction on the prior quarter and in line with Management expectations. The reduction in cash burn was also influenced by the increase in cash receipts from the iGO (Ontario) contract, which continued to build in line with expectations, as previously detailed in prior quarterlies. With the iGO solution build ongoing, a further substantial uplift in cash receipts is expected over the course of calendar year 2025.

As a result of these factors, DWG reiterates that it anticipates achieving positive operating cash flow by the fourth quarter of calendar 2025, and currently expects to finish the calendar year with a higher cash balance than as at 30 June 2025. The successful conversion of opportunities currently under negotiation within the Company's sales pipeline also have potential to enhance this, depending on the specific working capital requirements of each potential contract.

Cash and cash equivalents at the end of the quarter amounted to \$0.6 million, which is expected to fund the business through to positive cashflow later in calendar 2025, 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 \$14,106 for the quarter.

Net cash outflows from financing activities were \$13,835 for the quarter.

Directors, being related parties of the Company, were paid remuneration in the amount of \$135,622 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.



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## 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 Ltd

**ABN**

85 612 182 368

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

Jun-25

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>Year to date (12 months) \$A</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,154,112	7,439,179
1.2 Payments for		
(a) research and development	(77,847)	(422,349)
(b) product manufacturing and operating costs	(39,030)	(195,671)
(c) advertising and marketing	-	-
(d) leased assets	(6,298)	(94,457)
(e) staff costs	(1,690,574)	(8,294,636)
(f) administration and corporate costs	(1,067,489)	(5,152,635)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	469	15,654
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,146,903
1.8 Other	32,574	32,574
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(694,083)</b>	<b>(5,525,438)</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	(14,107)	(20,106)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 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>(14,106)</b>	<b>(20,105)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(13,835)	(22,459)
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>(13,835)</b>	<b>4,818,935</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	1,078,173	1,097,952
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(694,083)	(5,525,438)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14,106)	(20,105)

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Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13,835)	4,818,935
4.5	Effect of movement in exchange rates on cash held	(1,673)	(16,867)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>354,477</b>	<b>354,477</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	354,477	1,097,952
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	283,214	283,214
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above). As at 30 June 2025 DWG's cash, term deposits and security deposits at the end of the quarter totalled \$283,214.</b>	<b>637,691</b>	<b>1,361,385</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	(135,622)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
<p><i>"Notes</i></p> <p><i>6.1 Directors, being related parties of the Company, were paid remuneration in the amount of \$135,622 during the June quarter. No other related party payments were made."</i></p>		

7.	Financing facilities	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	283,214	-
7.4	<b>Total financing facilities</b>	<b>283,214</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>		

8.	Estimated cash available for future operating activities	\$A
8.1	Net cash from / (used in) operating activities (item 1.9)	<b>(694,083)</b>
8.2	Cash and cash equivalents at quarter end (item 4.6)	354,477
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)	637,691
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.92
	<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:

The Company recorded a reduction of approximately 50% in operating cash outflows during the June quarter compared to the March quarter, primarily driven by the previously flagged increase in cash receipts from a major provincial government contract in Canada. Cash flows from this contract are expected to continue building throughout calendar year 2025, consistent with budgeted milestone deliveries, which remain on track. As a result, the Company expects to generate positive operating cash flows in the coming quarters and is forecasting a higher cash balance as at 31 December 2025 compared to 30 June 2025. Accordingly, the Company considers its current capital position sufficient to fund ongoing operations.

The Company also notes that it held several large receivable balances as at 30 June 2025, which have been or are expected to be received in accordance with contracted customer payment terms, further strengthening its liquidity position.

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 continued cash build from existing government contracts, which are expected to lead to positive cash generation over the course of remainder of calendar year 2025.

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: .....30 July 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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