

14.01.2026 | ASX ANNOUNCEMENT

Strong Cash Generation, Sales Pipeline Advancing and Strategic Interest Ongoing

DataWorks Group Limited (ASX: DWG) (DWG or the Company), a global leader in advanced self-exclusion technologies addressing the global problem gambling market, is pleased to release its Quarterly Activities Report and Appendix 4C for the quarter ended 31 December 2025 (2Q FY26).

Q2 FY26 Highlights:

- **Strongly Cashflow Positive Quarter:** Achieved a materially positive operating cash flow for the December quarter, reflecting significant contracted cash receipts from a major government customer and continued cost discipline. Closing cash balance strengthened materially to \$0.9 million, following full repayment and cancellation of the previously disclosed \$250,000 liquidity management facility.
- **Cashflow Outlook:** Based on current contract delivery schedules and expected cash receipts, DWG expects net operating cash flows to remain around breakeven through the March 2026 quarter, supported by a strengthened cash position and ongoing disciplined cost management.
- **High-Quality Contract Execution:** Continued strong operational performance across DWG's two flagship government-backed CSE contracts in Australia (BetStop™ - The National Self Exclusion Register) and Canada's iGaming Ontario, underpinning reliable cash generation and reinforcing DWG's reputation for operational excellence and national-scale delivery.
- **Growing Commercial Pipeline:** Multiple new regulated market opportunities continue to progress, with several expected to reach decision points during the current half (2HFY26). Successful conversion of any of these opportunities would materially enhance DWG's medium-term financial outlook.
- **Positive BetStop Outcomes Validated:** Independent ACMA-commissioned research released during the quarter confirmed strong social and consumer protection outcomes from BetStop™, further validating the effectiveness, scalability and reliability of DWG's world leading technology platform, which continues to evolve towards a SaaS offering.
- **Strategic Interest Process Ongoing:** Engagement with potential strategic counterparties continues with the support of DWG's specialist advisers. While no new material developments that require disclosure have occurred, the Board remains encouraged by the level of interest in DWG's unique asset technology IP solution.

The December 2025 quarter marked an important milestone for DataWorks Group Limited ("**DataWorks**", "**DWG**" or the "**Company**"), with the Company delivering its first strongly positive operating cash flow in over two years, following a period of disciplined execution and strategic realignment toward regulated gaming player protection.

Net operating cash inflows for the quarter were a **positive \$1.1 million**. Receipts from customers of \$3.0 million, plus the receipt of \$0.7 million related to the Company's R&D rebate, materially exceeded operating cash outflows for the period, resulting in a **net increase in cash and cash equivalents to \$0.9 million**, after repayment of all borrowings.

The strong cash generation was driven primarily by the receipt of significant contracted payments from major government customers, combined with a cost base that has now been structurally re-aligned towards DWG's recurring revenue profile. Importantly, the Company fully repaid and cancelled the previously disclosed \$250,000 liquidity management facility during the quarter, leaving DWG in a strengthened financial position at quarter end.

Looking forward, the Company expects net operating cash flows to remain around breakeven through the March 2026 quarter, supported by a strengthened cash position and ongoing disciplined cost management,



subject to the usual timing of customer receipts and milestone delivery under existing contracts. This outlook reflects the underlying cash-generative nature of DWG's existing core CSE contracts and continued financial discipline.

Q2 FY26 Key Results:

- Quarterly cash receipts from customers: \$3.0 million (**74% higher quarter on quarter**)
- Receipt of R&D rebate: \$0.7 million
- Positive operating cash inflow: +\$1.1 million (versus an outflow in the prior quarter)
 - Administration and corporate costs rose modestly quarter on quarter, reflecting costs associated with the liquidity management/working capital facility and some catch up in working capital payments.
 - Staff costs were reduced by a further 7% quarter on quarter, as the Company continues to focus on efficiency gains across the business.
- During the quarter, the Company fully repaid the \$250,000 liquidity management/working capital facility, which was established in the prior quarter to assist in management of normal working capital flows.
- DWG continues to progress multiple advanced global sales opportunities and anticipates a potential decision on a number of contracts in the current half (2H FY26). Any successful contract awards are expected to materially enhance the financial outlook and liquidity profile of the Company.

RegTech Division

BetStop™ – National Self-Exclusion Register (Australia)

BetStop™ continued to perform at a high operational standard throughout the quarter, delivering both strong financial and social outcomes.

During the period, independent research commissioned by the Australian Communications and Media Authority (ACMA) and conducted by ORIMA confirmed the positive real-world impact of BetStop™, including:

- **77%** of registrants reporting an improved overall quality of life;
- **79%** reporting improved mental health;
- **69%** reporting improved personal relationships; and
- **96%** reporting they had stopped or reduced online wagering.

Since launch in August 2023, more than **55,000 Australians** have registered with BetStop™, with over **31 billion real-time verification checks** completed with negligible operator or customer friction. The system continues to operate with **100% uptime** and average response times under **5 milliseconds**, supported by live integrations with all licensed wagering operators in Australia.

The Company believes these outcomes strongly validate both the policy effectiveness of centralised self-exclusion and the robustness, scalability and reliability of DWG's technology platform.

Ontario iGaming Centralised Self-Exclusion (Canada)

In Ontario, the Centralised Self-Exclusion (CSE) program continued to progress in line with contractual expectations during the quarter.

All key milestones remain on schedule, with DWG maintaining strong engagement with iGaming Ontario to support a successful rollout. The Company's delivery performance in Ontario, alongside BetStop™ in Australia, positions DWG as the **only operator globally delivering two large-scale, government-backed real-time CSE systems**, an important competitive differentiator in regulated markets.



Commercial Pipeline and Growth Opportunities

DWG continues to progress a number of advanced commercial opportunities across multiple regulated gambling markets, both domestically and internationally. Engagement levels remain high, reflecting the growing regulatory focus on consumer protection and responsible gambling frameworks.

While the timing of government procurement processes can be unpredictable, the Company expects that **several opportunities currently under active consideration may reach resolution during the current half**. Any successful contract awards would represent a material uplift to the Company's financial and strategic outlook, including an improvement to the liquidity profile of the Company.

DWG continues to leverage its unique global reference sites, proven delivery capability and deep regulatory expertise to support pipeline conversion, and also continues to advance the development state of its technology solutions which continues to evolve towards a SaaS offering.

Strategic Interest Process

As announced on 22 December 2025, DWG appointed Tekkorp Capital Advisors to assist in assessing potential strategic interest in the Company's asset base. Tekkorp is acting as an advisor to DWG's strategic interest process only. This process remains ongoing.

Engagement with interested parties reflects DWG's unique market position, proprietary technology, established government contracts and deep integrations across the regulated iGaming ecosystem. While there have been no new material developments to disclose during the quarter or as at the date of this report, the Board remains confident that the process is being conducted in the best interests of shareholders.

The Company cautions that there is no certainty that this process will result in a transaction and will update the market in accordance with its continuous disclosure obligations as required.

Outlook

With strong cash generation achieved in the December quarter, a growing pipeline of commercial opportunities, and continued strategic interest in its asset base, DataWorks enters the second half of FY26 with increasing momentum.

The Board remains focused on disciplined execution, sustaining net positive cash flow or minimising cash burn, and selectively converting growth opportunities that enhance long-term shareholder value.

Q2 FY26 Financial Update

Net operating cash inflows for the quarter were \$1.1 million, underpinned by \$3.0 million of cash receipts from customers, which represented a 74% increase on the prior quarter, as well as receipt of \$0.7 million related to the Company's R&D tax rebate. The Company expects to be around breakeven net operating cash flow through the March 2026 quarter with potential for additional contracts wins to materially enhance the net operating cash position of the Company in future quarters.

Cash, term and security deposits at the end of the quarter amounted to \$1.1 million, which is expected to adequately fund the Company to deliver on its current strategic goals.

Net cashflow from investing activities was nil for the quarter.

Net cash outflows from financing activities were \$242,500 for the quarter.

Directors, being related parties of the Company, were paid remuneration in the amount of \$117,693 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:

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To learn more, please visit: 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 Ltd

ABN

85 612 182 368

Quarter ended ("current quarter")

Dec-25

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	2,999,108	4,723,420
1.2 Payments for		
(a) research and development	-	(135,285)
(b) product manufacturing and operating costs	-	(10,874)
(c) advertising and marketing	(2,906)	(5,806)
(d) leased assets	(9,148)	(17,346)
(e) staff costs	(1,374,192)	(2,854,243)
(f) administration and corporate costs	(1,217,719)	(1,900,847)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2,514	12,086
1.5 Interest and other costs of finance paid	(9,793)	(9,793)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	690,224	690,224
1.8 Other	-	16,182
1.9 Net cash from / (used in) operating activities	1,078,088	507,718
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 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	-	34,977
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	-	34,977

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	242,500
3.6	Repayment of borrowings	(242,500)	(242,500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(242,500)	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	56,286	354,476
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,078,088	507,718
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	34,977

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(242,500)	-
4.5	Effect of movement in exchange rates on cash held	(10,635)	(15,932)
4.6	Cash and cash equivalents at end of period	881,239	881,239

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	881,239	56,286
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	240,273	240,273
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above). As at 31 December 2025 DWG's cash, term deposits and security deposits at the end of the quarter totalled \$240,273.	1,121,512	296,558

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	(117,693)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
<i>"Notes</i> <i>6.1 Directors, being related parties of the Company, were paid remuneration in the amount of \$117,693 during the December quarter. No other related party payments were made."</i>		

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	240,273	240,273
7.4	Total financing facilities	240,273	240,273
7.5	Unused financing facilities available at quarter end		240,273
7.6	<p>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> <p>St George Term Deposit \$50,000, interest rate 4.17% p.a., maturity date 09/10/2026. This Term Deposit secures credit card facilities.</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)	1,078,088
8.2	Cash and cash equivalents at quarter end (item 4.6)	881,239
8.3	Unused finance facilities available at quarter end (item 7.5)	240,273
8.4	Total available funding (item 8.2 + item 8.3)	1,121,512
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<p><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></p>	
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?	
	<p>Answer: N/A</p>	
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?	
	<p>Answer: N/A</p>	
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?	
	<p>Answer: N/A</p>	
	<p><i>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.</i></p>	

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:14 January 2026

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.