BETMAKERS TECHNOLOGY GROUP LTD
ACN: 164 521 395
Phone: 1300 208 849
Fax: (02) 8330 6357
22 Lambton Road
Broadmeadow
NSW 2292

For personal use only

24 January, 2022

LAUNCH PLANS FOR NEW JERSEY FIXED ODDS BETTING AS BETMAKERS EXTENDS AGREEMENT TO NEW 15-YEAR EXCLUSIVE TERM

Highlights

- **NJTHA assign rights under Fixed Odds Wagering Act to BetMakers**
- **BetMakers' exclusivity extended to 15 years**
- **BetMakers appointed as exclusive licensee by NJTHA and Monmouth Park**
- **New agreement allows BetMakers to sub license to NJ Sportsbook operators**
- **Limited sub licenses to be awarded by BetMakers in initial NJ fixed odds roll out**
- **Monmouth Park expects to launch Fixed Odds betting on track in March 2022**

The Board of BetMakers Technology Group Ltd **(ASX:BET) ("BetMakers" or the "Company")** is pleased to announce that the Company, through its wholly owned subsidiary BetMakers DNA Pty Ltd, trading as the Global Racing Network **("GRN"),** has signed an Amended and Restated Fixed Odds & Data Distribution Agreement **("Agreement")** with Darby Development LLC**,** the operator of Monmouth Park racetrack **("Monmouth"),** and the New Jersey Thoroughbred Horseman Association **("NJTHA").**

The parties have agreed to extend the term for BetMakers to be the exclusive provider to deliver and manage fixed odds betting on thoroughbred horse racing into New Jersey from the initial period of 10 years to a new contracted term of 15 years.

Under the Amended and Restated Agreement, further additions include:

- NJTHA has appointed GRN as its exclusive representative to enter into any written agreement thereby approving, denying, or conditioning the conduct and acceptance within New Jersey of fixed odds wagering (win, place and show) on Thoroughbred racing, including: New Jersey Thoroughbred Content or any Thoroughbred Content originating outside of New Jersey (subject to requirements under the IHA) by online Wagering Operators, Casinos and Sportsbooks on such terms determined by GRN, and to manage any such agreement with those operators in a manner determined by GRN.
- NJTHA has authorised GRN to license and distribute any Thoroughbred Content to third parties for the provision of fixed odds wagering on win, place, and show bets.
- Monmouth Park (Darby) has appointed GRN as the exclusive licensee of Monmouth Park's Thoroughbred Content for the provision of fixed odds wagering within New Jersey.
- NJTHA has appointed GRN as the exclusive licensee for the provision of fixed odds wagering within New Jersey on live New Jersey Thoroughbred Content.

Darby Development LLC Chairman/CEO, Dennis Drazin, said:

For personal use only

"I am excited about the introduction of Fixed Odds betting on thoroughbred racing in New Jersey, which we now plan to start rolling out from March 2022. We have also scheduled the start of fixed odds betting on racing being offered online before the Monmouth Park's season of racing begins on 7th May 2022."

"I understand it has taken some time to progress and reach the stage of launching fixed odds, however it was important to ensure stakeholders in Thoroughbred racing in New Jersey were not only protected but given the best opportunity to capitalise on fixed odds betting on Thoroughbred content within New Jersey. As a part of the agreement, BetMakers included a provision to ensure existing Pari-Mutuel revenues are preserved with the introduction of Fixed Odds."

"I would like to thank the team at BetMakers for their patience and guidance through this process and I look forward to having a great partnership in the years ahead."

"BetMakers has already contributed significantly to Monmouth Park and to the Horsemen in New Jersey and we see BetMakers as a strong long-term partner to assist us in our endeavours to make horse racing the best it can be."

"I would also like to thank the New Jersey DGE, State legislature and Governor for their assistance and guidance throughout this process and again, like sports betting, this progressive thinking from a regulator has allowed us to capture the requirements to give horse racing the best opportunity to thrive."

BetMakers CEO Todd Buckingham said:

"Dennis Drazin and his team at Monmouth Park have delivered a model that is designed to give horse racing and its participants every chance to capture the benefits of the fast-growing fixed odds sports betting market."

"We are excited to get started and thank the team at Monmouth Park, the NJ Thoroughbred Horsemens Association, the NJ Racing Commission and NJ DGE for their commitment to this process. We are confident this is going to be a major success for Monmouth Park and the Horsemen of New Jersey."

"I believe the model that has been agreed for fixed odds betting on horse racing in New Jersey is the best model globally for the sustainability of horse racing and the fairest model for all participants, including racing bodies, rights holders, and operators of Sportsbooks."

"We look forward to updating the market on the sub licenses deals which we expect to award to operators over the coming months."

"Lastly, we are very excited to be able to deliver a new product to one of the most important stakeholders in racing - the punters (bettors/handicappers) - who will be able to have the choice to fix the price of their runner when placing a win, place or show bet. We believe this choice of option will open up horse racing to a sizeable new audience and we look forward to fixed odds wagering on racing being rolled out into other states and jurisdictions."

For personal use only

BetMakers' newly-appointed North America CEO Christian Stuart said:

> "There has been an overwhelmingly positive response to the introduction of fixed odds betting on sports in the US, and I believe there will be a similar response to fixed odds betting on horse racing.
>
> "Fixed odds – and the certainty of price setting for the person placing the bet - has attracted a new audience of people betting on sport, and I expect this will be the case for horse racing.
>
> "Having recently joined BetMakers in a key role in the US - and understanding the model that has been created for fixed odds betting on horse racing in New Jersey - I believe it presents a good opportunity for Sportsbooks to add racing to their fixed odds offerings to customers.
>
> "Racing as a product for Sportsbook operators to offer their customers is placed to be a very important wagering vertical because of the frequency of events and the margins that can be delivered.
>
> "I have seen the fixed odds betting boom on sports events in New Jersey, and the size of the fixed odds market is significant, and growing.
>
> "While fixed odds betting on racing is set to appeal to punters and deliver attractive margins to Sportsbooks, I think the approach from BetMakers with the industry stakeholders and regulators in New Jersey has been regarded as first class to ensure a sustainable and fair model, which should become the blueprint for other states."

Please see the Company's announcements dated 5 February 2020, 3 July 2020 and 21 May 2021 for previous information regarding the agreement between BetMakers, the NJTHA and Darby Development LLC.

As previously announced, New Jersey has officially legalised Fixed Odds betting on horse racing. Please see the Company's announcement dated 6 August 2021 for previous information regarding the Bill to "authorise fixed odds wagering on horse races" signed by the Governor of New Jersey after passing unanimously in both the Senate and General Assembly on 21 June 2021.

For further information please contact

Charly Duffy

Company Secretary
companysecretary@thebetmakers.com

+ 61 (0) 409 083 780

Jane Morgan

Investor and Media Relations
investors@thebetmakers.com

+ 61 (0) 405 555 618

Todd Buckingham, Managing Director of BetMakers, authorised the release of this announcement to ASX.

Disclaimer

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may by forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

For personal use only

For personal use only

ANNEXURE: MATERIAL TERMS OF THE AGREEMENT

In addition to the terms set out in this Announcement, the other material terms of the amended and restated Agreement are set out below:

- subject to GRN requiring and being granted the relevant approvals from regulators, the New Jersey Thoroughbred Horsemens Association appoint GRN as the exclusive distributor of betting for fixed odds horse racing on Thoroughbred racing in New Jersey ("NJ Betting License") *subject to the regulatory requirements and terms as referred in the agreement.*
- subject to GRN maintaining all required approvals (from time to time) for the NJ Betting License and being granted any required approvals from third party content providers, Monmouth grants an exclusive license to GRN to distribute various data and content ("Monmouth Data") relating to races held or to be held at any Monmouth allocated race meeting on a licensed racecourse in Monmouth's jurisdiction ("Monmouth Races") for the purpose of Fixed Odds betting;
- both Monmouth and NJTHA agree to provide their best endeavours to support GRN in obtaining the approvals, if required, to give effect to the licenses granted under the Agreement;
- the term of the Agreement is 15 years effective from 1 May 2020. GRN may elect to extend the term for an additional 15 years by giving notice at least 6 months prior to the expiry of the Term; and
- either party may terminate the Agreement where the other party:
    - fails to remedy a breach of any material term of the Agreement within 10 Business Days of receiving notice to do so; or
    - suffers an insolvency event;
- while the terms of the Agreement are confidential and commercially sensitive, GRN have agreed to:
    - pay to Monmouth:
        - a fee based on a percentage of the turnover of approved wagering operators using the Monmouth Data distributed by GRN for betting on Monmouth Races in the US domestic market;
        - a fee based on a percentage of monthly turnover from fixed odds wagering on the Thoroughbred Content by wagering operators in New Jersey;
        - a fee based on the net revenue generated by GRN in excess of USD$1m in respect of the distribution of Thoroughbred Content to wagering operators for fixed odds betting in New Jersey or outside New Jersey where the fixed odds wagering is routed through New Jersey;

For personal use only

- a daily fixed fee per meeting at Monmouth Races for the exclusive international distribution rights to the Monmouth data; and
- as a combination of the amounts contributed by GRN under the Agreement, a minimum total annual contribution following the commencement of fixed odds wagering.

- to pay to NJTHA a fee based on a percentage of monthly turnover from fixed odds wagering on the Thoroughbred Content by wagering operators in New Jersey, subject to a minimum total contribution to the overnight purses for thoroughbred races each year; and
- to guarantee NJTHA up to US$1m against any reduction in contributions toward the overnight purses from pari-mutuel and any other forms of wagering together with any other arrangements requiring payments to the overnight purses, as a result of fixed odds wagering derived from existing pari-mutuel wagering and any other forms of wagering, as measured against the most recent 12-month comparable time period pre-Covid 19 (March 2020).