

5 February 2020

## **BETMAKERS SIGNS 10-YEAR EXCLUSIVE AGREEMENT TO MANAGE FIXED ODDS HORSE RACING IN NEW JERSEY**

### **Highlights**

- Exclusive agreement allows BetMakers to distribute and manage Fixed Odds betting on horse racing in New Jersey
- BetMakers to integrate its Fixed Odds technology into wagering operators in New Jersey
- Provides global racing bodies the opportunity to offer their racing into New Jersey via BetMakers
- BetMakers will launch the Global Racing Network in New Jersey

The Board of BetMakers Technology Group Limited (“BetMakers” or “the Company”) (ASX:BET) is pleased to announce that the Company’s wholly owned subsidiary, BetMakers DNA Pty Ltd (“BDNA”), has signed an agreement with New Jersey Thoroughbred Horsemen Association (“Horsemen”) and Darby Development LLC., the operator of Monmouth Park race track (“Monmouth”) to deliver and manage Fixed Odds horse racing into New Jersey along with exclusive distribution of Monmouth Park racing content throughout other parts of the United States and internationally.

Under terms of the agreement (which is the first of its kind for Fixed Odds betting on horse racing in the United States), BetMakers will be the only approved official distributor of Fixed Odds horse racing content in New Jersey, providing a solution for racing bodies from both the U.S. and internationally to access licensed wagering operators (bookmakers) operating in New Jersey. The material terms of the agreement are annexed to this announcement and may be subject to further regulatory approval and operating within the Interstate Horseracing Act.

The agreement allows bookmakers to offer Fixed Odds betting on horse racing events where the racing body or rights holder allows Fixed Odds betting to occur.

BetMakers now intends to form agreements with other U.S.-based and international race tracks that would like to access the New Jersey Fixed Odds market by offering their content to bookmakers licensed in New Jersey.

Bookmakers will need to agree to the terms under the New Jersey fixed odds model which pays a portion of its ‘Handle’ (turnover) back to the race track as ‘Rights Fees’.

BetMakers has established the ‘**Global Racing Network**’ which will initially launch in New Jersey and provide a uniformed set of standard conditions for both racing bodies and bookmakers to allow clarity of reporting and distribution of data and content.

BetMakers will be working with Monmouth and relevant parties to provide data and integrity reporting solutions to ensure racing integrity on all Fixed Odds betting on racing in New Jersey.



As part of the agreement BetMakers' will exclusively distribute Monmouth Park racing into other U.S. and international regions.

Monmouth will make its tote pools available for international bookmakers, which the parties believe will assist the growth of the domestic tote pools and underpin the sustainability and growth of New Jersey Horse Racing and the sustainability and growth of New Jersey Horse Racing.

BetMakers will now start discussions with relevant bookmakers operating in New Jersey (and those looking to operate in the region) who would like to add Fixed Odds horse racing to their offerings.

New Jersey has been one of the pioneers for Fixed Odds sports betting in US and the current sports betting annual turnover is more than \$US4.5bn.

BetMakers Chief Executive Officer, Todd Buckingham, said:

"We have been working with racing bodies and bookmakers from all parts of the world to develop the best solution that fits into the horse racing ecosystem. We believe that U.S. horse racing has the potential to be the largest betting sport in the US, including basketball, American football and baseball. There is a real opportunity for the U.S. horse racing market to grow like it has in Australia, which has seen prizemoney levels double over the past 7-10 years based on a funding model that is equitable to all participants."

Monmouth Park Chief Executive Officer, Dennis Drazin, said:

"We have been instrumental in the roll out of sports betting into the US and now we will be the driver of Fixed Odds horse racing in New Jersey and hopefully throughout the U.S. We selected BetMakers as our partner in delivering this concept due to their extensive knowledge and understanding of what is required to make this a success."

"Our focus at Monmouth Park is ensuring we get the best return for our product and I believe this deal with the team at BetMakers, given their wagering, compliance and technology capabilities, provides us with a solution that can deliver a successful venture."

Mr Drazin and representatives of Monmouth Park intends to visit Australia prior to the 2020 season to meet with Racing officials to better appreciate how fixed odds has impacted the Australian industry.

Mr Drazin commented: "We are excited to come to Australia as part of an education piece to understand how we can maximise the return on our racing for our participants including owners, breeders, trainers, horse handlers and operational staff at Monmouth Park."



### About Monmouth Park:

Monmouth Park is a thoroughbred horse racing track in New Jersey in the United States. It is owned by the New Jersey Sports and Exposition Authority and is operated under a five-year lease from New Jersey Thoroughbred Horseman Authority in a management rights deal with Darby Development, LLC. Monmouth Park's racing season runs from early May to early September and its premier event is the Haskell Invitational.

<https://www.monmouthpark.com>

### About New Jersey Thoroughbred Horsemen Association:

The New Jersey Thoroughbred Horsemen's Association was incorporated in 1988 to represent owners and trainers in the state, specifically to improve racing conditions in the Thoroughbred industry and promote the common business interests of members in matters before government agencies, racetrack management, and other industry organizations.

The NJTHA board has nine members who represent owners and trainers. In February 2012 the New Jersey Sports and Exposition Authority entered into a ground lease with the NJTHA in connection with operations at Monmouth Park. The NJTHA has an agreement with Darby Development, which manages the track on behalf of the organization. The Horsemen's group also facilitates an all-turf meet in the fall at Meadowlands.

<http://tharacing.com/affiliates/new-jersey-tha/>

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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 be 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.

### **Annexure: Material Terms**

The material terms of the agreement between BDNA, Monmouth and the Horsemen (“Agreement”) are as follows:

- subject to BDNA requiring and being granted the relevant approvals from regulators, the Horsemen appoint BDNA as the exclusive distributor of betting for fixed odds horse racing in New Jersey (“NJ Betting Licence”);
- subject to BDNA maintaining all required approvals (from time to time) for the NJ Betting Licence and being granted any required approvals from third party content providers, Monmouth grants an exclusive license to BDNA 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 the Horsemen agree to provide their best endeavours to support BDNA in obtaining the approvals, if required, to give effect to the licenses granted under the Agreement;
- the Agreement is for an initial term of 5 years, commencing on 1 May 2020 (“Initial Term”). BDNA may elect to extend the term for an additional 5 years by giving notice at least 6 months prior to the expiry of the Initial Term;
- 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, in consideration for Monmouth providing the Monmouth Data to BDNA, BDNA will pay to Monmouth the following fees:
  - a fee (“Turnover Fees”) equal to a percentage of the turnover of approved wagering operators in relation to the distribution of Monmouth Data in the US domestic market. BDNA has guaranteed that a minimum of USD\$5m in Turnover Fees will be paid to Monmouth over the Initial 5-year Term of the Agreement;
  - either a fee based on the net revenue generated by BDNA in New Jersey in respect of fixed odds betting on other US or international racing events or an increased Turnover Fee (to be determined by Monmouth within 90 days of the date of the Agreement);
  - a daily fixed fee per meeting at Monmouth Races for the exclusive international distribution rights to the Monmouth Data.