

21 April 2022

CONSORTIUM SELECTS BETMAKERS TO POWER WAGERING TECH AND TRADING IN AUSTRALIAN MARKET

Highlights

- **BetMakers selected as the exclusive technology and services provider in Australia and New Zealand to new wagering venture**
- **Full services contract including platform technology and Managed Trading Services**
- **10-year contract with revenue share arrangement and potential revenues greater than \$300m¹**
- **The new wagering venture is a consortium comprised of Tekkorp Capital LLC (Matt Davey), News Corp Australia, and TGW, a trust whose investors include Matt Tripp (the “Consortium”)**
- **Matt Davey stepping down from the BetMakers Board however remains a long-term shareholder of the Company**

The Board of BetMakers Technology Group Ltd (ASX:BET) (“**Company**”) is pleased to announce that a wholly owned subsidiary of the Company, OM Apps Pty Ltd (“**BetMakers**”), has entered into an exclusive 10 year agreement (“**Agreement**”) with NTD Pty Limited (“**NTD**”), a new wagering venture which has been formed by the Consortium. Under the Agreement, BetMakers will provide technology and services to the new wagering venture.

Highly Strategic and Attractive Partnership for BetMakers

Under the terms of the Agreement, BetMakers will provide platform technology (“**B2B Platform**”) and wagering solutions to the new wagering venture and is expected to receive multiple revenue streams over the life of the 10 year contract.

The terms, detailed below, include the potential to earn revenue of more than \$300m¹, with minimum revenues for BetMakers of ~\$80 million², over the initial 10-year contract period.

The Company’s Chief Executive Officer, Todd Buckingham, said:

“We are excited to partner with the Consortium to enter this space under our proven business model.”

¹ The maximum revenue that may be earned under the contract is \$313m over approximately 10 years after the go live date, plus the Launch Development and Platform Establishment Fees payable before the go live date (expected to be approx. \$5m). This does not constitute management’s forecast of revenue. As the venture is a new business, and in line with ASIC guidance, management does not have a reasonable basis to provide any financial forecasts.

² Including the Platform Establishment Fee, Launch Development Fee, and the Development and Service Fees over the initial 10-year term (excluding CPI increases).



“We feel this partnership cements the Company as a leading provider of B2B platforms and software to the wagering industry.

“This deal will allow the Company to demonstrate that we are a viable pathway for large scale operators that want to enter markets quickly and efficiently, allowing them to focus their resources into marketing strategies.

“While this deal is focused on the Australian market, we feel this model will play an important part of our international expansion.”

Key financial terms include:

- Platform Establishment Fee of \$2 million and a Launch Development Fee of \$500,000 per month between signing and the go live date. BET management expects the go-live date will occur within six months;
- Development & Service Fee of a minimum \$7.5 million per annum commencing on the go-live date and increasing by CPI on each anniversary of the go-live date, representing a minimum base fee of \$75 million over the 10-year contract (before CPI increases);
- Annual Fee based on a revenue sharing arrangement starting at 25% of ongoing net gaming revenue, reducing by 1% on each anniversary of the go live date during the 10-year contract as the business scales, less the annual Development & Service Fee;
- Annual Fee is subject to a maximum cap of \$20 million per annum initially, growing at +10% per annum for 8 years following the go live date and +5% per annum thereafter to \$43 million at the end of the 10-year period. This equates to a total maximum revenue possible over 10 years after the go live date of ~\$313 million³, plus the Launch Development and Platform Establishment Fees.

The material terms of the Agreement are set out in Annexure A to this announcement.

Performance Rights Vesting to Tripp

Under the Strategic Advisory Agreement⁴, an entity associated with Mr Tripp (“**Tripp**”) was issued 35 million Class A Performance Rights which vest upon delivery of a ‘Strategic Deal’.

After an independent expert evaluated the Agreement as satisfying the criteria for a ‘Strategic Deal’, the 35 million Class A Performance Rights have vested. Tripp has agreed to increase the escrow arrangement to 100% on the Class A Performance Rights (and any shares issued on conversion) for a period of 3 years in return for consideration of \$15 million.

Mr Tripp will continue to be engaged with the Company exclusively advising on B2B opportunities.

³ This does not constitute management’s forecast of revenue. As the venture is a new business, and in line with ASIC guidance, management does not have a reasonable basis to provide any financial forecasts.

⁴ See announcement of 17 February 2021 “Matt Tripp leads \$75M Strategic Placement into BetMakers” - <https://www.asx.com.au/asxpdf/20210217/pdf/44sr5hs5hqg6g1.pdf>



Mr Matt Davey stepping down from the Board

As a result of the time commitments of the new venture, and other international ventures, Matt Davey will be stepping down from the Company's Board of Directors, effective today.

The recent appointments of two new Independent Non-Executive Directors, Anna Massion and Rebekah Giles have further strengthened the Board, allowing Mr Davey to focus on his other activities. He remains a committed long-term Company shareholder.

Matt Davey said:

"The Company has come a long way in a very short space of time and I'm excited to be handing over the reins to a very competent Board that will now drive the company into the next phase of growth.

"As the largest shareholder in the Company, I remain a committed shareholder that believes in the vision and direction of the Company and hold great confidence the team is in place to execute on this strategy."

An Appendix 3Z for Matt Davey is attached.

The Company's Chief Executive Officer, Todd Buckingham, said:

"We are delighted to have entered into this landmark Agreement to be the B2B supplier of wagering technology to a Consortium with such high calibre investors, including a global media giant and two experts in wagering, Matt Tripp and Matt Davey.

"BetMakers is thrilled to be chosen as the new venture's technology supplier, which is a testament to the B2B technology and business model that the Company has built. We believe it validates our strategy and supports our view that the end-to-end B2B solution the Company provides is an efficient and commercially viable way to successfully launch a wagering platform in today's global wagering markets."

Matt Tripp, said:

"I am delighted to be a part of delivering a material agreement for the Company, a company that I have been significantly involved with as a strategic advisor and shareholder. I have seen first-hand the technology and solutions that BetMakers has developed and implemented, with the Company continuing to set new global benchmarks in delivery for wagering operators and racing bodies around the world. BetMakers provides one of the best end-to-end packages of technology and trading services in the global B2B wagering market, which is why I am happy to invest in a new wagering venture that will rely upon it."

Matt Davey, said:

"The new wagering venture is a significant investment by Tekcorp Capital and one that I am very excited about. As a result of announcing this deal and combined with other



opportunities opening up in the U.S. and globally, I am resigning from my position as a Non-Executive Director of the Company.

“As the largest shareholder of the Company, I have been suitably impressed during my time on the Board not only by the Company’s corporate structure, governance and strategy but in particular the ability of management to execute on the enormous opportunity in front of it. I am very excited by its future and intend to remain a supportive long-term shareholder. The recent appointments of two new highly respected Independent Non-Executive Directors, Anna Massion, who I have known through dealings in the U.S., and Rebekah Giles in Australia, adds great strength to the Company’s foundation Board members, including Chairman Nick Chan, and places it in excellent shape to oversee the implementation of an exciting next phase of growth by BetMakers’ management.”

About the new wagering venture

The new wagering venture will apply for a sports bookmaker licence under which it will operate a new online wagering product for Australian and New Zealand punters to bet on racing and sports. The product launch is scheduled for the second half of 2022 and will seek to add new products and experiences for Australian and New Zealand customers that will grow the overall market.

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

*Unless otherwise specified, all amounts are provided in AUD and an unaudited basis.



Annexure A

In addition to the terms set out in this Announcement, the other material terms of the Agreement are as follows:

- Under the Agreement, BetMakers will provide the following services to NTD, the new wagering venture: launch services, including developing the B2B Platform, providing platform services, product services, development services, managed trading services, data and data warehouse services, analytics services and support services.
- The initial term of the Agreement commenced on 21 April 2022 and expires 10 years after the go live date. NTD may, in its sole discretion, extend the agreement for a first further period of 3 years and a second further period of 2 years.
- NTD will use all reasonable endeavours to obtain all necessary wagering licences, which are a condition to NTD commencing operations and the go live date.
- BetMakers may terminate the agreement immediately if (among other things):
 - NTD commits a material breach which is not remedied within 30 days of service of a notice to do so; and
 - other customary termination events occur in respect of NTD.
- NTD may terminate the agreement immediately if (among other things):
 - NTD ceases its business;
 - the 'go live date' does not occur within 18 months of signing the Agreement; or
 - subject to first undertaking a corrective action plan process, other customary termination events occur in respect of BetMakers.
- BetMakers shall retain all intellectual property rights in the existing and future improvements to the BetMakers software, and in any materials created or otherwise brought into existence by or on behalf of BetMakers in the course of performing the services for NTD, including the B2B Platform.

Appendix 3Z

Final Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	BetMakers Technology Group Ltd
ACN	164 521 395

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of director	Matthew Stuart Davey
Date of last notice	19 July 2021
Date that director ceased to be director	21 April 2022

Part 1 – Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
Nil

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest Note: Provide details of the circumstances giving rise to the relevant interest	Number & class of securities
Tekcorp Holdings LLC	115,000,000 fully paid ordinary shares (Shares)

Part 3 – Director's interests in contracts

Detail of contract	In order to fund various investment commitments and opportunities, Mr Davy, through Tekcorp Holdings LLC, entered into a funding arrangement with an investment bank (Funding Arrangement) on 9 July 2021
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+ See chapter 19 for defined terms.

Appendix 3Z
Final Director's Interest Notice

Nature of interest	The Funding Arrangement includes a loan facility, cash settled options and stock loans referencing 28,000,000 Shares held by Tekkorp Holdings LLC
Name of registered holder (if issued securities)	Tekkorp Holdings LLC
No. and class of securities to which interest relates	N/A

+ See chapter 19 for defined terms.