

23 June 2021

BETMAKERS ACQUIRES 'FORM CRUNCHER' AND 'SWOPSTAKES' ASSETS

Highlights

- **BetMakers has acquired technology platform assets, databases and IP of racing data company Form Cruncher.**
- **BetMakers has also acquired the technology and IP associated with the Swopstakes betting product**
- **The Form Cruncher and Swopstakes assets are valuable additions to BetMakers' core business, which is expected to enhance the overall product offering across a global footprint.**
- **The new assets will be integrated into the BetMakers network and create wagering products and content to be monetised throughout the global suite of customers, including racing bodies, race tracks, retail and digital wagering operators.**

The Board of BetMakers Technology Group Limited ("**BetMakers**" or "**the Company**") (ASX:BET) is pleased to announce that the Company and its wholly owned subsidiary, BetMakers DNA Pty Ltd ("**BDNA**"), have entered into agreements pursuant to which BDNA has acquired the technology platform assets, databases and intellectual property of racing data company Form Cruncher Pty Ltd ("**Form Cruncher**") and technology and intellectual property associated with the Swopstakes betting product from the parent company of Swopstakes Australia Pty Ltd ("**Swopstakes**").

Acquisition of Form Cruncher assets

Form Cruncher processes racing event data such as odds, price fluctuations, sectional times and results to create advanced form information and dynamic content that can be adapted and customised globally. Features include: Race and runner ratings, Speed ratings and maps, Runner comments, Race overviews and suggested tips that can be customised to suit each platform partner's 'Branding and language'.

BetMakers Chief Executive Officer, Mr Todd Buckingham, said:

"The acquisition of Form Cruncher's racing data assets and form processing database is a valuable addition to our core business, and one that will allow us to grow our overall product offering across a global footprint.

BetMakers currently supplies multiple sources of informatics globally and the acquisition of Form Cruncher will allow us to bring this in-house and create a normalised offering across all of our global jurisdictions in which we operate.

Leveraging BetMakers' existing infrastructure and data, the new assets will be plugged in to our network and create wagering products and content to be monetised throughout our global suite of customers, including racing bodies, race tracks, retail and digital wagering operators."



Under the terms of the agreement, BDNA has acquired certain Form Cruncher assets ("**FC Assets**"), which include:

- all websites, digital platforms, apps and other technology used by or developed for the Form Cruncher business;
- all Intellectual Property, computer hardware (including network and telecommunications equipment), software, source code and code bases related to any domain names, websites, digital platforms, apps and other technologies used by or developed for the Form Cruncher business, including odds feeds, bookmaker integrations and marketing tools created by, owned, used, leased, licensed, commissioned or controlled by Form Cruncher.; and
- all domain names associated with the Form Cruncher business.

In consideration for the FC Assets, BetMakers has agreed to pay an initial cash payment of AUD\$1mil and a performance payment of up to AUD\$1mil as follows:

- cash payment of AUD\$500,000 to Form Cruncher paid in two equal instalments on 23 December 2021 and 23 June 2022;
- the issue of 443,262 ordinary shares in BetMakers ("**Shares**") under the Company's placement capacity under ASX Listing Rule 7.1 to nominees of Form Cruncher today, representing AUD\$500,000 divided by \$1.128, being the volume weighted average price of Shares over the 15 days on which trades in the Shares occurred ("**15-day VWAP**") immediately prior to signing and completion of the agreement ("**Completion Shares**"); and
- subject to the satisfaction of certain performance milestones over the financial year ending 30 June 2023, a performance payment of a maximum of AUD\$1mil to be paid as follows:
 - pay an amount up to a maximum of AUD\$500,000 in cash to Form Cruncher; and
 - issue to Form Cruncher such number of Shares up to a maximum of \$500,000 divided by the 15-day VWAP immediately prior to the Performance Payment Date, subject to a floor price of \$0.90, being a maximum of 555,556 Shares ("**FC Performance Shares**").

An Appendix 2A in respect of the issue and quotation of the Completion Shares, and Appendix 3B in respect of the proposed issue of FC Performance Shares to Form Cruncher, will be lodged separately today. A cleansing statement in respect of the Completion Shares is also set out below.

BetMakers does not consider entry into the agreement with Form Cruncher to be material.

Acquisition of Swopstakes assets

Swopstakes is a wagering platform, specifically developed to run sweepstakes on racing and sports events including AFL, NRL, NBA and NFL.

Swopstakes' proprietary betting product allows customers to purchase tickets in featured events and play tournament-style live games on real racing and sports events. Players can buy, sell or swap tickets during the course of an event until one ticket holder is eventually the winner.



BetMakers Chief Executive Officer, Mr Todd Buckingham, said:

“We have followed Swopstakes as a product for some time and have been impressed with both the concept and technology.

We believe there is an opportunity to adapt the product for our clients and achieve scale through integration, promotion and distribution through BetMakers’ extensive global network.”

Under the terms of the agreement, BDNA has acquired the Swopstakes proprietary betting product (including all technology and intellectual property) (“**SS Assets**”) that allows customers to purchase betting tickets in a single event where:

- each event ticket has a unique combination of betting contingencies formed into a multibet;
- only one event ticket per event is able to win; and
- event tickets are pooled and are able to be sold by more than one wagering operator.

In consideration for the SS Assets, BetMakers has agreed to pay a cash payment of AUD\$634,750 (plus GST) and a performance payment of up to AUD\$15mil as follows:

- \$634,750 (plus GST) paid to Swopstakes today; and
- a performance payment equal to 2x (two times) the profit generated from the Swopstakes betting product over the later of i) 12 months ending 31 December 2023 or ii) 12 months following integration of the Swopstakes betting product. The maximum performance payment payable is AUD\$15mil to be paid in cash, Shares or a combination thereof (at the Company’s discretion). If the Company elects to satisfy any part of the performance payment with Shares, each Share (“**SS Performance Share**”) will be valued at the 15-day VWAP immediately prior to the payment date which is to be no later than 31 March 2024, subject to a floor price of \$1.28 (being a maximum of 11,718,750 Shares).

An Appendix 3B in respect of the proposed issue of SS Performance Shares to Swopstakes will be lodged separately today.

BetMakers does not consider entry into the agreement with Swopstakes to be material.

Issue of performance rights under LTIP

The Company also advises that today it has issued 15,050,000 unquoted performance rights, convertible to Shares subject to vesting conditions, (“**Performance Rights**”) under the Company’s long term incentive plan (“**LTIP**”) to various employees of the Company. The material terms of the Performance Rights are as follows:

- the Performance Rights were issued under the LTIP;
- the Performance Rights will vest on achievement of certain performance and time-based hurdles; and
- the Performance Rights will expire on 30 June 2025.

An Appendix 3G in respect of the issue of the Performance Rights will be lodged separately today.



Issue of Shares on exercise of unlisted options

BetMakers further advises that today it has also issued 118,872 Shares as a result of the exercise of 125,000 unlisted options (“Options”) pursuant to the cashless exercise facility under the LTIP.

An Appendix 2A in relation to the quotation of Shares will be lodged separately today.

The Company advises that it is not required to issue a cleansing statement under section 708A(5)(e) of the *Corporations Act 2001* (Cth) on the basis that the Options were issued under the LTIP in accordance with the relief provided under ASIC Class Order [CO14/1000].

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

Cleansing Statement for Completion Shares

In respect of the issue of the Completion Shares, the Company hereby notifies ASX under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (“Act”) that:

- (a) today the Company completed the issue and allotment of 443,262 Completion Shares;
- (b) the Company issued the Completion Shares without disclosure under Part 6D.2 of the Act;
- (c) the Company provides this notice under section 708A(5)(e) of the Act;
- (d) as at the date of this notice:
 - (i) the Company has complied with the provisions of Chapter 2M and section 674 of the Act as they apply to the Company; and
 - (ii) other than as set out in this announcement, there is no information that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Completion Shares.



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.
