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PointsBet Announces Capital Raising to Strengthen its Balance Sheet to Execute on its Long Term Strategy

Melbourne, Australia, 2 September 2020 – PointsBet Holdings Limited (ASX:PBH) (“PointsBet” or the “Company”) today announces a capital raising of approximately A\$303 million comprising:

- a fully underwritten 1 for 6.5 accelerated pro rata renounceable entitlement offer, with retail rights trading to raise A\$153.2 million at A\$6.50 per share (**Entitlement Offer Price**). Eligible shareholders will also receive one new option (**New Option**) for every 2 shares issued under the Entitlement Offer, exercisable at A\$13.00 and expiring on 30 September 2022, at no further cost (**Entitlement Offer**); and
- an institutional placement to raise approximately A\$150 million (**Placement**). The Placement price, and the total proceeds of the Placement, will be determined after completion of a bookbuild process.

The Placement will open after-market today (Wednesday, 2 September 2020) and close on Friday, 4 September 2020, at which time the Placement price and the total proceeds of the Placement will be announced to ASX. The institutional component of the Entitlement Offer will commence on Monday, 7 September 2020, at which time a transaction-specific prospectus will be lodged with ASX in connection with the Entitlement Offer.

The Entitlement Offer and Placement are referred to as the **Capital Raising**.

PointsBet’s Managing Director and Group CEO, Sam Swanell, said:

“The Capital Raising will position PointsBet for the future. As announced on Friday, 28 August 2020, PointsBet will become the Official Sports Betting Partner of NBC Sports in the US.

NBC Sports is an iconic brand and holder of the largest sports audience of any US media company. This transformational US media partnership provides PointsBet with market-leading national and regional broadcast assets which span over 184 million viewers and digital assets which span 60 million monthly active users. These assets will act as the cornerstone of our marketing strategy in the US and combined with our in-house technology and products, as well as our talented and experienced team, are expected to deliver outstanding client acquisition and retention efficiency as the company seeks to rapidly scale over the next 5 years.

PointsBet is excited to partner with NBCUniversal, where PointsBet will gain exclusive gameday integrations across NBC Sports Regional Networks, become the exclusive partner of NBC Sports Predictor app and get the first look at rights to sports betting opportunities across new NBC Sports properties, platforms and products. The NBC Sports Group possesses an unparalleled collection of media rights agreements, partnering with some of the most prestigious sports properties in the world, including the International Olympic Committee and the United States Olympic and Paralympic Committee, the NFL, NHL, NASCAR, INDYCAR, PGA Tour, The R&A, PGA of America, USGA, Churchill Downs, Premier League, Tour De France, French Open, and many more.

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As part of the 5-year marketing agreement, PointsBet has committed marketing spend of US\$393.1 million allocated in progressively increasing amounts over the 5-year media partnership, together with incentives payable to NBCUniversal for customer referrals. There is strong alignment of our strategies, with NBCUniversal to be issued a 4.9% shareholding in the Company and 66.88 million options maturing in 5 years and exercisable at A\$13.00 per option (subject to shareholder approval). The combined value of the shares and options will offset and reduce the total cash payments by PointsBet under the 5-year media partnership.”

Use of funds

PointsBet will utilise funds raised via the Capital Raising to support:

- US marketing costs in target states, predominantly related to client acquisition and retention;
- Technology and platform development;
- US business development, comprising:
 - o market access and government licensing fees; and
 - o sportsbook fit-out costs; and
- Costs of the Capital Raising

Placement

The Placement is expected to raise proceeds of approximately A\$150 million, however the Company reserves the right to raise more than this amount. The Placement is not underwritten, however the Underwriter (defined below) will provide settlement support in respect of New Shares subscribed for under the Placement provided the Placement raises gross proceeds of at least A\$150 million at or above the Entitlement Offer Price.

The Placement is being undertaken utilising the Company’s existing placement capacity under ASX Listing Rule 7.1. The Company has been granted a waiver of ASX Listing Rule 7.1 which permits it to calculate the number of new, fully paid ordinary shares (**New Shares**) which it may agree to issue under the Placement without shareholder approval on the basis that ASX Listing Rule 7.1 is deemed to include the number of New Shares issued under the Entitlement Offer. The waiver may not be utilised by the Company in connection with the Placement.

The Placement price, together with the final proceeds of the Placement, will be determined after completion of a bookbuild process. The Placement will open after-market today (Wednesday, 2 September 2020) and close on Friday, 4 September 2020, at which time the Placement price and the total proceeds of the Placement will be announced to ASX.

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Entitlement Offer

Eligible shareholders under the Entitlement Offer will be able to subscribe for 1 New Share for every 6.5 shares held (**Entitlements**) at 7:00pm (AEST) on Wednesday, 9 September 2020 (**Record Date**) at the Entitlement Offer Price of A\$6.50 per New Share.

The Entitlement Offer Price represents a 48.9% discount to the theoretical ex-entitlement price (TERP - excludes New Shares issued via the Placement) of A\$12.73¹ based on the A\$13.69 closing price of PointsBet shares on ASX on Wednesday, 2 September 2020.

For every 2 New Shares that are issued pursuant to the Entitlement Offer, Eligible Shareholders will also be issued one New Option at no further cost. Each New Option will be exercisable into one New Share at an exercise price of A\$13.00 at any time until expiry of the New Options on 30 September 2022.

The Company will apply to ASX for quotation of the New Options, which is expected to commence on completion of the Retail Entitlement Offer.

The Entitlement Offer comprises:

- **An Institutional Entitlement Offer:** Eligible institutional shareholders will be entitled to participate in the Institutional Entitlement Offer which will take place from Monday, 7 September 2020 to Tuesday, 8 September 2020. Eligible institutional shareholders can choose to take up all, part or none of their Entitlements. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild on Tuesday, 8 September 2020 and any proceeds in excess of the Entitlement Offer Price will be paid to the relevant PointsBet shareholders (net of any withholding tax and expenses).
- **A Retail Entitlement Offer:** Eligible retail shareholders in Australia and New Zealand will be entitled to participate in the Retail Entitlement Offer at the same price as the Institutional Entitlement Offer (A\$6.50 per New Share). Eligible retail shareholders have a number of options under the Retail Entitlement Offer:
 - elect to take up all or part of their Entitlements by the Retail Entitlement Offer closing date of 5:00pm (AEST) on Tuesday, 22 September 2020;
 - sell some or all of their Entitlements on ASX between Wednesday, 9 September 2020 and Tuesday, 15 September 2020; or
 - do nothing and let their Entitlements be offered for sale through the retail shortfall bookbuild process managed by the Underwriter, with any proceeds in excess of the Entitlement Offer Price paid to the relevant PointsBet shareholders (net of any withholding tax and expenses).

¹ TERP is a theoretical price at which PointsBet shares trade immediately after the ex-date for the Entitlement Offer (and excludes New Shares to be issued via the Placement) assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which PointsBet shares trade immediately after the ex-date for the Entitlement Offer (and excludes New Shares to be issued via the Placement) will depend on many factors and may not be equal to TERP. TERP is calculated by reference to PointsBet's closing price of A\$13.69 on Wednesday, 2 September 2020.

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Entitlements that would otherwise be offered to ineligible retail shareholders will be sold through a retail shortfall bookbuild on Friday, 25 September 2020 and any proceeds in excess of the Entitlement Offer Price will be paid to the relevant PointsBet shareholders (net of any withholding tax and expenses).

A Prospectus containing information in respect of the Retail Entitlement Offer and the New Options, together with a personalised Entitlement and Acceptance Form, will be made available to eligible retail shareholders on Friday, 11 September 2020. The Prospectus will also be lodged with ASX on Monday, 7 September 2020. Eligible retail shareholders should read the Prospectus in full before deciding whether to subscribe for New Shares and New Options, sell their Entitlements or do nothing.

Questions and further information

Any eligible shareholders in Australia, New Zealand or certain other jurisdictions who have questions regarding the Entitlement Offer should contact the PointsBet Offer Information Line on:

- 1300 157 209 (from within Australia); or
- +61 3 9415 4153 (from outside Australia),

between 8:30am to 5:00pm, Monday to Friday (Melbourne time). The PointsBet Offer Information Line will open on Monday, 7 September 2020.

Indicative timetable

Event	Date ²
Trading halt and announcement of Capital Raising (after-market)	Wednesday, 2 September 2020
Placement opens (after-market)	Wednesday, 2 September 2020
Placement closes	Friday, 4 September 2020
Company announces results of Placement to ASX (after market)	Friday, 4 September 2020
Institutional Entitlement Offer opens	Monday, 7 September 2020
Prospectus lodged with ASX	Monday, 7 September 2020
Institutional Entitlement Offer closes and shortfall bookbuild	Tuesday, 8 September 2020
Company announces results of Institutional Entitlement Offer and trading halt lifted	Wednesday, 9 September 2020
Retail Entitlements commence trading on ASX on a deferred settlement basis	Wednesday, 9 September 2020
Record Date for Retail Entitlement Offer (7pm AEST)	Wednesday, 9 September 2020
Settlement of the Placement	Wednesday, 9 September 2020
Allotment date and normal trading of New Shares issued under the Placement	Thursday, 10 September 2020
Retail Entitlement Offer opens	Friday, 11 September 2020
Prospectus and Entitlement and Acceptance Form made available to eligible retail shareholders	Friday, 11 September 2020
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Monday, 14 September 2020
Allotment date and normal trading of New Shares issued under the Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Tuesday, 15 September 2020
Allotment (but not trading) of New Options issued in connection with the Institutional Entitlement Offer	Tuesday, 15 September 2020
Retail entitlement trading on ASX ends	Tuesday, 15 September 2020
Retail Entitlement Offer closes (5pm AEST)	Tuesday, 22 September 2020
Announcement of results of the Retail Entitlement Offer	Friday, 25 September 2020
Retail Entitlement Offer shortfall bookbuild	Friday, 25 September 2020
Settlement of Retail Entitlement Offer and Retail Entitlement Offer shortfall	Wednesday, 30 September 2020
Allotment of New Shares and New Options issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Thursday, 1 October 2020
New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall commence trading on ASX	Friday, 2 October 2020
All New Options commence trading on ASX	Friday, 2 October 2020
Dispatch of holding statements in respect of New Shares and New Options issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Friday, 2 October 2020

² The above timetable is indicative and subject to variation. PointsBet reserves the right to withdraw or amend the Capital Raising (or any part of it) or alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules, the Corporations Act and other applicable law. All dates and times refer to Melbourne, Australia time.

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Bell Potter Securities Limited is Lead Manager to the Capital Raising and Underwriter of the Entitlement Offer. MST Financial Services Pty Ltd is Junior Lead Manager to the Capital Raising (together with Bell Potter Securities Limited, the Joint Lead Managers). Moelis & Company LLC is International Selling Agent for the Placement.

Flagstaff Partners is Financial Adviser to the Company.

Clarendon Lawyers is Australian Legal Adviser to the Company.

-ENDS-

FOR FURTHER INFORMATION

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ABOUT POINTSBET

PointsBet is a corporate bookmaker with operations in Australia and the United States. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products. PointsBet's product offering includes Fixed Odds Sports, Fixed Odds Racing, and PointsBetting. PointsBet aims to provide more markets on the major sports than any other bookmaker.

Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws. The Company does not intend to register any portion of the Offer under the US Securities Act or to conduct a public offering in the United States.

Important Information

This announcement may include forward-looking statements. These forward-looking statements are based on PointsBet's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of PointsBet, which could cause actual results to differ materially from such statements. PointsBet makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement. Nothing contained in this document constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of that information.