

## PointsBet Appendix 4C and Quarterly Activities Report

**Melbourne, Australia, 27 October 2020** – PointsBet Holdings Limited (ASX:PBH) (“PointsBet” or the “Company”) is pleased to provide its Quarterly Cash Flow Report (Appendix 4C) for the quarter ending 30 September 2020 (“Q1 FY21”)<sup>1</sup>.

PointsBet also provides an overview on its trading performance for Q1 FY21 (prior corresponding period being Q1 FY20 (“PCP”)). Due to the seasonal nature of the sports betting industry, quarterly figures are not intended to represent an indication of likely full year performance.

### QUARTERLY HIGHLIGHTS – Q1 FY21

PointsBet reported strong PCP growth across the following key metrics:

| PointsBet Group - Q1 FY21 Performance (A\$m) <sup>2</sup> |               |              |               |
|-----------------------------------------------------------|---------------|--------------|---------------|
| Key metrics                                               | Q1 FY21       | Q1 FY20      | Change vs PCP |
| <b>Turnover<sup>3</sup></b>                               | <b>691.9</b>  | <b>235.8</b> | <b>+193%</b>  |
| Aus                                                       | 527.7         | 164.4        | +221%         |
| US                                                        | 164.2         | 71.4         | +130%         |
| <b>Gross Win<sup>4</sup></b>                              | <b>70.4</b>   | <b>18.4</b>  | <b>+282%</b>  |
| Aus                                                       | 60.5          | 17.3         | +249%         |
| US                                                        | 9.8           | 1.1          | +795%         |
| <b>Gross Win Margin</b>                                   | <b>10.2%</b>  | <b>7.8%</b>  | <b>+2.3pp</b> |
| Aus                                                       | 11.5%         | 10.6%        | +0.9pp        |
| US                                                        | 6.0%          | 1.5%         | +4.4pp        |
| <b>Net Win<sup>5</sup></b>                                | <b>38.1</b>   | <b>11.8</b>  | <b>+222%</b>  |
| Aus                                                       | 35.1          | 12.6         | +178%         |
| US                                                        | 3.1           | (0.8)        | n/m           |
| <b>Net Win Margin</b>                                     | <b>5.5%</b>   | <b>5%</b>    | <b>+0.5pp</b> |
| Aus                                                       | 6.6%          | 7.7%         | -1.0pp        |
| US                                                        | 1.9%          | (1.1)%       | +2.9pp        |
| <b>No. Active Clients<sup>6</sup></b>                     | <b>164.5k</b> | <b>87.4k</b> | <b>+88%</b>   |
| Aus                                                       | 124.7k        | 72.0k        | +73%          |
| US                                                        | 39.8k         | 15.4k        | +159%         |

<sup>1</sup> Unaudited and in Australian dollars unless otherwise stated

<sup>2</sup> The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period

<sup>3</sup> Turnover is the dollar amount wagered by clients before any winnings are paid out or losses incurred

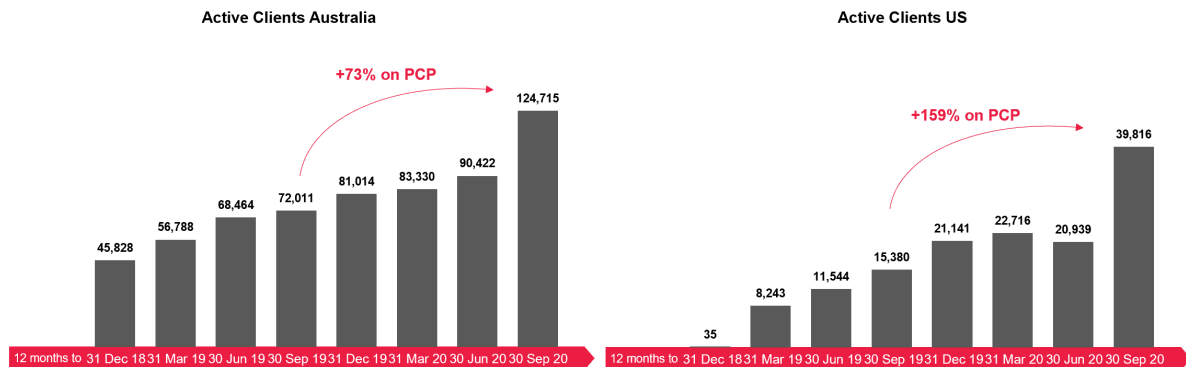
<sup>4</sup> Gross Win is the dollar amount received from Clients who placed losing bets less the dollar amount paid to Clients who placed winning bets, excluding the cost of pricing promotions

<sup>5</sup> Net Win is the dollar amount received from clients who placed losing bets less the dollar amount paid to clients who placed winning bets, less client promotional costs (the costs incurred to acquire and retain clients through bonus bets, money back offers, early payouts and enhanced pricing initiatives)

<sup>6</sup> Clients that have placed a bet in the 12 months preceding the relevant end date

## GROUP ACTIVE CLIENT GROWTH

### Clients who have bet in the last twelve months



Notes: (1) Active clients are clients that have placed a bet in the 12 months preceding the relevant date

- For the 12-months to 30 September 2020, the Australian business had 124,715 Active Clients, a 73% increase compared to Active Clients for the 12-months to 30 September 2019.
- For the 12-months to 30 September 2020, the US business had 39,816 Active Clients, a 159% increase compared to Active Clients for the 12-months to 30 September 2019.

## Trading Performance

### Australian Trading Business

- The Company recognises a structural change in the Australian online wagering market, including brand consolidation (BetEasy, previously the third largest brand in the Australian market merging with SportsBet during the quarter) and a shift from retail (venue) to online wagering. As a result, the Company is pursuing a strategy to increase its Net Win growth and market share.
- The Australian Trading business continued its strong performance, achieving a record Net Win for the quarter of \$35.1 million, up 178% from the PCP. Net Win Margin of 6.6% reduced from 7.7% in the PCP, as the Company increased promotions as a percentage of Gross Win.
- As the Company takes advantage of the structural changes in the market, the Australian Trading Business' marketing expense increased to \$11.3 million in Q1 FY21 as the Company sought to acquire and retain clients during the recommenced NBA, NRL and AFL seasons, and leading into the important Spring Racing Carnival.

### United States

- The US business achieved a quarterly Gross Win of \$9.8 million, compared to Gross Win of \$1.1 in the PCP, and Net Win performance of \$3.1 million, compared to a loss of \$0.8 million for the PCP.
- New Jersey achieved strong Net Win of \$5.5 million, at a Net Win Margin of 4.1%.

- The Company recorded negative Net Win in the newly launched states of Indiana and Illinois, as the Company's targeted strategy to acquire and retain clients resulted in promotions exceeding Gross Win in these newly launched states.
- US marketing expense increased to US\$11.8 million in Q1 FY21, facilitating a 159% increase in Active Clients for the 12-months to 30 September 2020 compared to Active Clients for the 12-months to 30 September 2019.
- Achieved 6.5% market share in New Jersey for online handle during the quarter<sup>7</sup>.
- Achieved 3.2% market share in Indiana for online handle during the quarter<sup>8</sup>.
- On 9 July 2020 PointsBet announced an agreement with BetMakers Technology Group Limited to offer fixed odds betting on racing (thoroughbred, harness and greyhounds) to clients in New Jersey, initially on races held at Monmouth Park, with scope to expand to additional tracks and jurisdictions, subject to receipt of all necessary regulatory and other approvals. This represents a significant opportunity for the Company given PointsBet's experience in fixed odds racing in Australia, as well as the potential size of the opportunity in the US.
- PointsBet launched online operations in Illinois on 12 September 2020 and took the first retail bet at the Hawthorne Race Course on 25 September 2020.
- On 6 August 2020, PointsBet announced it had entered into a 'primary skin' agreement with Twin River Management Group, Inc. to provide iGaming/online casino in the State of New Jersey, contingent upon Twin River's completion of its acquisition of Bally's Atlantic City Hotel & Casino in Atlantic City and obtaining the necessary regulatory licenses and approvals.

### **Marketing and Sponsorship**

- Marketing and sponsorship will continue to be a key component of the Company's strategy to grow its US brand awareness and deliver efficient client acquisition.
- PointsBet announced on 3 July 2020 a partnership with the Detroit Tigers Major League Baseball (MLB) team, being the first sports betting partnership for a professional sports team within Michigan and also the first for any MLB franchise.
- On 5 August 2020, PointsBet announced it had entered into a multi-year agreement with Pacers Sports & Entertainment to become an Official Sports Gaming Partner of the Indiana Pacers of the NBA. As part of the agreement, PointsBet branding will be displayed along the out-of-bounds space between the baseline and the team bench (the "apron").
- On 7 August 2020, PointsBet announced that it entered into a multi-year partnership with Kroenke Sports & Entertainment, LLC to become the official and exclusive gaming partner of the Denver Nuggets of the NBA, Colorado Avalanche of the NHL, Colorado Mammoth of the National Lacrosse League, and their home arena, The Pepsi Center, recently renamed the Ball Arena.
- On 8 September 2020, the University of Colorado Athletics and PointsBet, signed a five-year corporate sponsorship agreement that makes PointsBet the exclusive partner of the Colorado Buffaloes. The partnership includes specific support for the department's Scripps

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<sup>7</sup> Based on total New Jersey online sports betting handle for the quarter, as reported by the New Jersey Division of Gaming Enforcement ("NJ DGE")

<sup>8</sup> Based on total Indiana online sports betting handle for the quarter, as reported by the Indiana Gaming Commission ("IGC")

Leadership and Career Development Program, which helps prepare student-athletes for success beyond their playing days.

- On 28 September 2020, PointsBet announced that it has entered into agreements which will see it become an official Sportsbook Partner of the Indianapolis Colts NFL franchise and Chicago Bears NFL franchise. Under these deals, PointsBet will gain usage of the Colts and Bears trademarks and logos, as well as sponsorship opportunities and brand visibility across various digital assets. PointsBet will become the sponsor of the “Official Colts Podcast” which is circulated across the team’s various digital assets.

## 5 YEAR PARTNERSHIP WITH NBC UNIVERSAL

On 28 August 2020, PointsBet and NBCUniversal Media, LLC entered into a five-year media partnership. Under the partnership, PointsBet has become the Official Sports Betting Partner of NBC Sports, providing Pointsbet access to leading national and regional television and digital assets, with the largest sports audience of any US media company, accessing over 184 million viewers.

Under the terms PointsBet receives the following benefits:

- Exclusive gameday integrations across NBC Sports Regional Networks
- Exclusive partner of NBC Sports Predictor app, (NBC Sports’ free-to-play games platform)
- First look rights to sports betting partnership opportunities across new NBC Sports properties, platforms and products
- Premium placement and agreed pricing structure across NBC Sports television and digital assets

PointsBet’s total committed marketing spend of US\$393 million is allocated in progressively increasing amounts over the 5-year media partnership.

The key alignment of the two organisation is reinforced with a significant equity subscription received by NBCUniversal of a 4.9% shareholding in the Company and 66.88 million options maturing in five years, conditional on shareholder approval. The total value of shares and options will offset against the committed marketing spend and therefore significantly reduce the cash commitment over the 5-year term.

PointsBet has already utilised NBC Sports’ premium television and digital assets to promote the PointsBet brand during the launch of operations in Illinois, the sixth largest US State by population.

## NBC Sports Integrations



## POINTSBET AUSTRALIA

| PointsBet Australia - Q1 FY21 Performance (A\$m) |              |         |                 |
|--------------------------------------------------|--------------|---------|-----------------|
| Key metrics                                      | Q1 FY21      | Q1 FY20 | Increase on PCP |
| Turnover                                         | <b>527.7</b> | 164.4   | 221%            |
| Gross Win                                        | <b>60.5</b>  | 17.3    | 249%            |
| Gross Win Margin                                 | <b>11.5%</b> | 10.6%   | +0.9pp          |
| Net Win                                          | <b>35.1</b>  | 12.6    | 178%            |
| Net Win Margin                                   | <b>6.6%</b>  | 7.7%    | -1.0pp          |

The Australian Trading business continued its strong performance, achieving a record Net Win for the quarter of \$35.1 million, up 178% from the PCP.

The Company recognises a structural change in the Australian online wagering market, including brand consolidation (BetEasy, previously the third largest brand in the Australian market merging with SportsBet during the quarter) and a shift from retail (venue) to online wagering. As a result, the Company is pursuing a strategy to increase Net Win growth and market share.

Australian Trading Business' marketing expense increased to \$11.3 million in Q1 FY21 as the Company sought to acquire and retain clients during the recommenced NBA, NRL and AFL seasons, and leading into the important Spring Racing Carnival.

In line with a larger investment in acquisition and retention marketing the Australian Trading business increased investment in client promotions, resulting in a Net Win margin of 6.6%, down from 7.7% in the PCP.

Q1 FY21 Turnover of \$527.7 million more than tripled compared to Q1 FY20, up 221%. Also, quarter on quarter Turnover growth of 74% was pleasing, evidencing the Company's continued ability to acquire and retain clients at significant scale.

The recommencement of the AFL in June 2020 saw the Company benefit from its exclusive partnership with Fox Sports AFL. Towards the end of the quarter, the Company continued its national broadcast role as the exclusive Channel 7 Victorian odds integration partner for their Spring Racing Carnival coverage. This will be an important media asset in Q2 FY21, especially given the current brand consolidation and reduced attendance at racetracks, pubs and clubs over the Spring Racing Carnival.

For the 12-months to 30 September 2020, the Australian business had 124,715 Active Clients, a 73% increase compared to Active Clients for the 12-months to 30 September 2019.

**POINTSBET US**

| PointsBet United States - State Q1 FY21 Performance (A\$m) <sup>9</sup> |            |                                  |                       |                        |                  |                  |                 |
|-------------------------------------------------------------------------|------------|----------------------------------|-----------------------|------------------------|------------------|------------------|-----------------|
| Key metrics                                                             | New Jersey | Iowa<br>(in person registration) | Indiana <sup>10</sup> | Illinois <sup>11</sup> | Total US Q1 FY21 | Total US Q1 FY20 | Increase on PCP |
| Turnover                                                                | 134.8      | 4.9                              | 14.3                  | 10.2                   | <b>164.2</b>     | 71.4             | 130%            |
| Gross Win                                                               | 9.1        | 0.3                              | 0.4                   | 0.0                    | <b>9.8</b>       | 1.1              | 795%            |
| Gross Win Margin                                                        | 6.8%       | 6.1%                             | 2.6%                  | 0.3%                   | <b>6.0%</b>      | 1.5%             | +4.4pp          |
| Net Win                                                                 | 5.5        | 0.2                              | (1.3)                 | (1.4)                  | <b>3.1</b>       | (0.8)            | n/m             |
| Net Win Margin                                                          | 4.1%       | 4.3%                             | (9.0)%                | (13.6)%                | <b>1.9%</b>      | (1.1)%           | +2.9pp          |

Q1 FY21 saw the recommencement of the National Basketball Association (NBA) and the National Hockey League (NHL) together with the commencement of the National Football League (NFL) and Major League Baseball (MLB).

As a result, in July 2020, PointsBet resumed its targeted marketing investment in New Jersey and Indiana and launched operations in Illinois in September 2020, assisted by the NBC Sports media assets. PointsBet will not make significant marketing investment in Iowa until in person registration is replaced by online registration on 1 January 2021.

Following the return of the major US sports leagues and PointsBet's increased investment in marketing during Q1 FY21, the US business saw Active Clients during the 12 months to 30 September 2020 increase by 90% compared to the 12 months to 30 June 2020.

US marketing expense increased to US\$11.8 million in Q1 FY21.

The US business achieved a quarterly Gross Win of \$9.8 million, compared to Gross Win of \$1.1 million on the PCP, with a Net Win performance of \$3.1 million, compared to a loss of \$0.8 million for the PCP.

Strong Net Win in New Jersey of \$5.5 million, at a Net Win Margin of 4.1%, was offset by negative Net Win in the recently launched states of Indiana and Illinois, as the Company's strategy to acquire and retain clients resulted in promotions exceeding Gross Win in these states.

The US business achieved 6.5% market share in New Jersey for online handle during the quarter<sup>12</sup> and 3.2% market share in Indiana for online handle during the quarter<sup>13</sup>.

PointsBet is now operational in New Jersey, Iowa, Indiana and Illinois, with next launches planned for Colorado in November 2020 and Michigan in Q3 FY21. Michigan will also see the inaugural launch of PointsBet's iGaming product.

<sup>9</sup> The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period

<sup>10</sup> Re-launch of Indiana operations occurred in July 2020

<sup>11</sup> Illinois operations launched in September 2020

<sup>12</sup> Based on total New Jersey online sports betting handle for the quarter, as reported by the New Jersey Division of Gaming Enforcement ("NJDE")

<sup>13</sup> Based on total Indiana online sports betting handle for the quarter, as reported by the Indiana Gaming Commission ("IGC")

*Branding at Pepsi Centre - home of the Denver Nuggets and Colorado Avalanche*



## CORPORATE & FINANCIAL UPDATE

### Placement and Accelerated Pro Rata Renounceable Entitlement Offer

On 25 September 2020, PointsBet completed a A\$353.2 million capital raise. Under the offer, PointsBet raised:

- \$200 million at \$11.00 per share under a placement; and
- \$153.2 million at \$6.50 per share under a 1 for 6.5 pro rata accelerated renounceable entitlement offer with retail rights trading.

Strong support saw a 92% participation rate by retail entitlement holders, with those retail holders who renounced their rights receiving \$4.10 per right in the retail shortfall bookbuild.

Shareholders who took up their rights in the entitlement offer received one new option for every two shares issued under the entitlement offer, at no further cost. The new options will be exercisable at \$13.00 and expire on 30 September 2022. The Company will receive an additional \$153 million in funds should these options be exercised in full.

### Cashflow

As at 30 September 2020, PointsBet had \$436.5 million of corporate cash, a significant amount of which is held in USD. The Company has no corporate borrowings.

Receipts from customers for the quarter totalled \$38.1 million.

Net cash used in operating activities in the quarter ending 30 September 2020 was \$10.0 million. Excluding movement in player cash accounts, net cash used in operating activities was \$21.6 million.

Operating net cash outflows were driven by cost of sales (\$19.0 million), non-capitalised staff costs (\$6.4 million), marketing costs (\$28.6 million) and administration and corporate costs (\$5.8 million).

The increase in marketing cash outflows resulted from the pre-payment of some US marketing obligations and the resumption of targeted marketing investment in the US as the 4 major sports leagues resumed.

Net cash used in investing activities in the quarter ending 30 September 2020 was \$15.3 million. This predominately related to market access payments (\$10.8 million) and capitalisation of staff costs (\$2.7 million).

It should be noted that, as disclosed in the Appendix 4C, the Company's cash and cash equivalents at the end of the quarter were negatively impacted by AUD:USD foreign exchange movements of \$4.1 million, as for the majority of the quarter, the Company held a significant amount of its corporate cash balance in USD.



### **Estimated cash available for future operating activities**

Following the completion of the Placement and Accelerated Pro Rata Renounceable Entitlement Offer, the Company is well funded to achieve its strategic objectives and planned activities.

### **FORWARD-LOOKING STATEMENTS**

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of PointsBet. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

### **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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

PointsBet Holdings Limited

| <b>ABN</b>                                  |                                                               | <b>Quarter ended ("current quarter")</b>                       |                                                                            |
|---------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------|
| 68 621 179 351                              |                                                               | 30 September 2020                                              |                                                                            |
| <b>Consolidated statement of cash flows</b> |                                                               | <b>Current quarter<br/>\$A'000<br/>(30 September<br/>2020)</b> | <b>Year to date (3<br/>months)<br/>\$A'000<br/>(30 September<br/>2020)</b> |
| <b>1.</b>                                   | <b>Cash flows from operating activities</b>                   |                                                                |                                                                            |
| 1.1                                         | Receipts from customers                                       | 38,095                                                         | 38,095                                                                     |
| 1.2                                         | Payments for                                                  |                                                                |                                                                            |
|                                             | (a) research and development                                  | -                                                              | -                                                                          |
|                                             | (b) product manufacturing and operating costs (Cost of Sales) | (18,975)                                                       | (18,975)                                                                   |
|                                             | (c) advertising and marketing                                 | (28,614)                                                       | (28,614)                                                                   |
|                                             | (d) leased assets                                             | (54)                                                           | (54)                                                                       |
|                                             | (e) staff costs                                               | (6,353)                                                        | (6,353)                                                                    |
|                                             | (f) administration and corporate costs <sup>1</sup>           | (5,772)                                                        | (5,772)                                                                    |
| 1.3                                         | Dividends received (see note 3)                               |                                                                |                                                                            |
| 1.4                                         | Interest received                                             | 178                                                            | 178                                                                        |
| 1.5                                         | Interest and other costs of finance paid <sup>2</sup>         | (137)                                                          | (137)                                                                      |
| 1.6                                         | Income taxes paid                                             | -                                                              | -                                                                          |
| 1.7                                         | Government grants and tax incentives                          | -                                                              | -                                                                          |
| 1.8                                         | Other (provide details if material)                           |                                                                |                                                                            |
|                                             | Net increase/(decrease) in Player Cash Accounts <sup>3</sup>  | 11,600                                                         | 11,600                                                                     |
| <b>1.9</b>                                  | <b>Net cash from / (used in) operating activities</b>         | <b>(10,032)</b>                                                | <b>(10,032)</b>                                                            |

1. Includes GST paid to the ATO, including GST collected and paid on Receipts from Customers.
2. Represents interest costs on lease liability upon adoption of AASB 16 "Leases" accounting standard from 1 July 2019.
3. Represents Net Movement in Player Cash Accounts.

|            |                                                                                       |                 |                 |
|------------|---------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>2.</b>  | <b>Cash flows from investing activities</b>                                           |                 |                 |
| 2.1        | Payments to acquire:                                                                  |                 |                 |
|            | (a) entities                                                                          | -               | -               |
|            | (b) businesses                                                                        | -               | -               |
|            | (c) property, plant and equipment                                                     | (1,849)         | (1,849)         |
|            | (d) investments                                                                       | -               | -               |
|            | (e) intellectual property <sup>4</sup>                                                | (2,665)         | (2,665)         |
|            | (f) other non-current assets                                                          | -               | -               |
| 2.2        | Proceeds from disposal of:                                                            |                 |                 |
|            | (a) entities                                                                          | -               | -               |
|            | (b) businesses                                                                        | -               | -               |
|            | (c) property, plant and equipment                                                     | -               | -               |
|            | (d) investments                                                                       | -               | -               |
|            | (e) intellectual property                                                             | -               | -               |
|            | (f) other non-current assets                                                          | -               | -               |
| 2.3        | Cash flows from loans to other entities                                               | -               | -               |
| 2.4        | Dividends received (see note 3)                                                       | -               | -               |
| 2.5        | Other (provide details if material)                                                   |                 |                 |
|            | US Business Development (Market Access, licensing and Retail Sportsbook fitout costs) | (10,765)        | (10,765)        |
| <b>2.6</b> | <b>Net cash from / (used in) investing activities</b>                                 | <b>(15,279)</b> | <b>(15,279)</b> |

<sup>4</sup> Includes Capitalised Development Costs

|             |                                                                                         |                |                |
|-------------|-----------------------------------------------------------------------------------------|----------------|----------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |                |                |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 353,081        | 353,081        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -              | -              |
| 3.3         | Proceeds from exercise of options                                                       | 250            | 250            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | (11,153)       | (11,153)       |
| 3.5         | Proceeds from borrowings                                                                | -              | -              |
| 3.6         | Repayment of borrowings                                                                 | -              | -              |
| 3.7         | Transaction costs related to loans and borrowings                                       | -              | -              |
| 3.8         | Dividends paid                                                                          | -              | -              |
| 3.9         | Other (provide details if material)                                                     |                |                |
|             | Principal repayment of Lease Liability                                                  | (100)          | (100)          |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>342,078</b> | <b>342,078</b> |

|            |                                                                              |                            |                            |
|------------|------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                            |                            |
| 4.1        | Cash and cash equivalents at beginning of period                             | <b>144,339</b>             | <b>144,339</b>             |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (10,032)                   | (10,032)                   |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (15,279)                   | (15,279)                   |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | 342,078                    | 342,078                    |
| 4.5        | Effect of movement in exchange rates on cash held                            | (4,053)                    | (4,053)                    |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>457,053<sup>5</sup></b> | <b>457,053<sup>6</sup></b> |

<sup>5/6</sup>. Cash and cash equivalents at the end of the quarter includes Player Cash Accounts of \$20,569,858.

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| 5.1        | Bank balances                                                                                                                                                               | 400,355                            | 66,271                              |
| 5.2        | Call deposits                                                                                                                                                               | -                                  | -                                   |
| 5.3        | Bank overdrafts                                                                                                                                                             | -                                  | -                                   |
| 5.4        | Other (provide details)<br>Term Deposits (various tenors less than 3 months)                                                                                                | 56,698                             | 78,068                              |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                            | <b>457,053</b>                     | <b>144,339</b>                      |

**6. Payments to related parties of the entity and their associates**

|     |                                                                                         |            |
|-----|-----------------------------------------------------------------------------------------|------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | <b>271</b> |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | -          |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 Salaries and Wages (inclusive of Superannuation and applicable taxes withheld) of Executive Directors and Non-Executive Directors Fees.

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

|                                       | Total facility amount at quarter end<br>\$A'000 | Amount drawn at quarter end<br>\$A'000 |
|---------------------------------------|-------------------------------------------------|----------------------------------------|
| 7.1 Loan facilities                   | -                                               | -                                      |
| 7.2 Credit standby arrangements       | 50                                              | 27                                     |
| 7.3 Other (please specify)            | -                                               | -                                      |
| <b>7.4 Total financing facilities</b> | <b>50</b>                                       | <b>27</b>                              |

7.5 **Unused financing facilities available at quarter end** **23**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Unsecured Commonwealth Bank Corporate Credit Card Facility. Interest rate: 17.57%

| <b>8. Estimated cash available for future operating activities</b>                | <b>\$A'000</b>       |
|-----------------------------------------------------------------------------------|----------------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                     | (10,032)             |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)                           | 457,053 <sup>7</sup> |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)                 | 23                   |
| 8.4 Total available funding (Item 8.2 + Item 8.3)                                 | 457,076              |
| <b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b> | <b>45.56</b>         |

<sup>7</sup> Cash and cash equivalents at the end of the quarter includes Player Cash Accounts of **20,569,858**. Excluding the Player Cash Accounts the balance is **\$A436,506,167**. The estimated quarters of funding available excluding the Player Cash Accounts is **20.2**.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 November 2020  
.....

Andrew Hensher

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.