

POINTS BET

PointsBet Holdings Limited
ABN 68 621 179 351

APPENDIX 4D HALF-YEAR ENDED 31 DECEMBER 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS IN ACCORDANCE WITH AUSTRALIAN ACCOUNTING STANDARDS

REPORTING PERIOD: FOR THE HALF-YEAR ENDED 31 DECEMBER 2020 (“2021 INTERIM”)

PREVIOUS PERIOD: FOR THE HALF-YEAR ENDED 31 DECEMBER 2019 (“2020 INTERIM”)

| | 2021 INTERIM \$ | 2020 INTERIM \$ | | |
|----------------------------------|--------------------|--------------------|----|------|
| Revenue from ordinary activities | 75,133,842 | 27,391,548 | up | 174% |
| Net loss attributable to members | (85,590,971) | (32,252,881) | up | 165% |

| | NORMALISED RESULT ¹ | | STATUTORY RESULT | |
|--|--------------------------------|------------|------------------|------------|
| | \$ | % MOVEMENT | \$ | % MOVEMENT |
| Revenue from ordinary activities | 75,133,842 | 174% | 75,133,842 | 174% |
| (Loss) before interest, tax, foreign exchange, depreciation and amortisation | (69,024,294) | 143% | (71,225,585) | 143% |
| Net loss attributable to members | (71,759,200) | 145% | (85,590,971) | 165% |

1. Normalised results have been adjusted to exclude the impact of significant non-recurring items and adjustments. The Group believes that the normalised results are the best measure of viewing the performance of the business. Normalised results are a non-IFRS measure. See *Review of Operations* section of Half Year Report for details.

DIVIDENDS PAID AND PROPOSED

| | AMOUNT PER SECURITY | FRANKED AMOUNT PER SECURITY AT 30% OF TAX |
|--------------------------|---------------------|---|
| Ordinary Shares | | |
| 2021 Interim (2010: NIL) | NIL | NIL |
| 2020 Final (2019: NIL) | NIL | NIL |

DIVIDEND REINVESTMENT PLAN

There was no dividend reinvestment plan in operation during the financial year.

APPENDIX 4D

HALF-YEAR ENDED 31 DECEMBER 2020

CONTINUED

LOSS PER SHARE

| | 31 DEC 20 | 31 DEC 19 |
|--|-------------|-------------|
| Weighted average number of ordinary shares | 179,781,185 | 124,583,737 |
| Basic and Diluted (Loss) Per Share | (47.6) | (25.9) |

Options have been excluded from the above calculations in the current and previous year as their inclusion will be anti-dilutive.

NET TANGIBLE ASSETS PER SHARE

| | 31 DEC 20 | 31 DEC 19 |
|-------------------------------|-------------|-------------|
| Number of shares | 205,522,036 | 152,500,755 |
| Net tangible assets per share | 2.16 | 0.89 |

Control Gained or Lost Over Entities in the Year – Not Applicable

Details of Associates and Joint Venture Entities – Not Applicable

COMMENTARY ON THE RESULTS FOR THE HALF YEAR

Refer to the commentary on the results for the half-year contained in the Review of Operations included within the Director's Report.

The Consolidated Statement of Profit or Loss and Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, and Consolidated Statement of Changes in Equity are included within the Interim Financial Report.

ATTACHMENTS

The Interim Financial Report for PointsBet Holdings Limited for the year ended 31 December 2020 has been attached.

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.

For further information please contact:

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POINTSBET

PointsBet Holdings Limited
ABN 68 621 179 351



INTERIM REPORT
FOR THE HALF-YEAR
31 DECEMBER 2020

POINTSBET

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CORPORATE DIRECTORY



***BRINGING YOU THE
FASTEST BETTING EXPERIENCE
IN THE WORLD***

REVIEW OF OPERATIONS

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

GROUP PERFORMANCE

EARNINGS SUMMARY FOR THE 6 MONTHS ENDING 31 DECEMBER 2020 (HY21 OR REPORTING PERIOD)

The information presented in this Review of Operations has not been audited in accordance with the Australian Auditing Standards. All figures are in Australian dollars unless otherwise stated.

The key performance indicators for the Reporting Period and prior period are set out below:

NORMALISED RESULTS¹

| | HY21 \$ | HY20 \$ | VARIANCE % |
|--|---------------------|--------------|---------------|
| Normalised Results | | | |
| Revenue | 75,133,842 | 27,391,548 | 174% |
| EBITDA loss | (69,024,294) | (28,351,783) | 143% |
| Loss for the half | (71,759,200) | (29,349,195) | 145% |
| Basic and diluted loss per share (cents) | (39.9) | (23.6) | |

REPORTED

| | | | |
|--|---------------------|--------------|------|
| Reported Results | | | |
| Revenue | 75,133,842 | 27,391,548 | 174% |
| EBITDA loss | (71,255,585) | (29,288,429) | 143% |
| Loss for the half | (85,590,971) | (32,252,881) | 165% |
| Basic and diluted loss per share (cents) | (47.6) | (25.9) | |

SIGNIFICANT ITEMS & ADJUSTMENTS

| | NOTE | HY21 \$ | VARIANCE VS HY2020 \$ |
|---|------|-------------------|--------------------------|
| Interest on Financial Liability | 2 | 645,966 | – |
| Share based payment expense (non cash) - employee share option plan and key employee equity plan (KEEP) | 3 | 3,423,593 | 1,422,117 |
| Impact of AASB 16 Leases | 4 | 182,040 | 282,627 |
| Unrealised FX (gains)/losses | 5 | 9,580,172 | 1,198,942 |
| Total significant items & adjustments | | 13,831,771 | 2,903,686 |

1. Normalised results and operating cash flow are statutory profit (before and after tax) and operating cash flow, excluding the impact of certain significant items and adjustments. Significant items and adjustments are items which are either individually or in aggregate, material to PointsBet and are either outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature as detailed under the heading 'Significant Items & Adjustments'.
2. Interest on Financial Liability - The Group's normalised results include an adjustment related to notional interest calculated on the Financial Liability component of the NBCUniversal consideration options under the NBCUniversal Subscription Agreement, being the fair value of the Financial Liability calculated at the discounted value of the future cash settled liability (being \$105.3 million) in accordance with the assumed repayment term per the NBCUniversal Subscription Agreement, being 5 years and the Company's implied cost of debt, being 7.44%.
3. Share based payments expense – Employee Share Option Plan and Key Employee Equity Plan (KEEP) - The Group's normalised results include an adjustment for fair value on employee share option plan and key employee equity plan issuances to key management staff.
4. Impact of AASB 16 – The Group's normalised results include an adjustment for the impact of change in accounting standards upon adoption of AASB 16 "Leases".
5. Unrealised FX (gains)/losses – The Group's normalised results include an adjustment for unrealised FX gains/(losses) on USD exposures that have yet to be realised.

KEY PERFORMANCE INDICATORS

PointsBet reported strong growth across the following key metrics:

| KEY METRICS | HY21 GROUP – PCP PERFORMANCE (A\$M) ⁶ | | | TRADING UPDATE ^{6,7} | |
|------------------------------------|--|---------------|----------------|-------------------------------|-----------------------|
| | HY21 | HY20 | CHANGE VS PCP | 1 TO 24 JAN 2021 | FY21 YTD ² |
| Turnover⁸ | 1890.0 | 533.1 | 255% | 237.7 | 2,127.7 |
| Australia | 1071.0 | 349.2 | 207% | 118.5 | 1,189.4 |
| US | 819.1 | 183.9 | 345% | 119.2 | 938.3 |
| Gross Win⁹ | 153.8 | 47.3 | 225% | 32.3 | 186.1 |
| Australia | 136.1 | 38.1 | 257% | 14.4 | 150.4 |
| US | 17.7 | 9.2 | 92% | 17.9 | 35.7 |
| Gross Win Margin | 8.1% | 8.9% | (0.7)pp | 13.6% | 8.7% |
| Aus | 12.7% | 10.9% | 1.8pp | 12.1% | 12.6% |
| US | 2.2% | 5.0% | (2.9)pp | 15.0% | 3.8% |
| Net Win¹⁰ | 82.8 | 29.8 | 177% | 22.9 | 105.7 |
| Australia | 84.8 | 27.2 | 211% | 9.2 | 94.0 |
| US | (2.0) | 2.6 | n.m. | 13.7 | 11.7 |
| Net Win Margin | 4.4% | 5.6% | (1.2)pp | 9.7% | 5.0% |
| Aus | 7.9% | 7.8% | 0.1pp | 7.8% | 7.9% |
| US | (0.2)% | 1.4% | (1.7)pp | 11.5% | 1.2% |
| Active Clients¹¹ | 211.1K | 102.2K | 107% | | |
| Aus | 143.0K | 81.0K | 77% | | |
| US | 68.1K | 21.1K | 222% | | |

6. The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period.

7. The Company provided a trading update as part of its Q2 FY21 reporting requirements for the period 1 January 2021 – 24 January 2021. YTD refers to 1 July 2020 to 24 January 2021.

8. Turnover is the dollar amount wagered by clients before any winnings are paid out or losses incurred.

9. 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.

10. 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).

11. Active clients are clients that have placed a bet in the 12 months preceding the relevant period end date.

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

As the Company looks to grow its business across the United States and utilise its deep sports wagering experience to risk manage those clients whose average bet size is significantly above the median, volatility of revenues across reporting periods can occur.

The Group had a strong start to Q3 FY21. For the period 1 January 2021 to 24 January 2021, the Global business achieved a Net Win of \$22.9 million, which delivered a Global year to date (1 July 2020 to 24 January 2021) (YTD) Net Win of \$105.7 million.

The United States reversed the aggregate H1 FY21 negative Net Win of (\$2.0) million to record a FY21 YTD Net Win to 24 January 2021 of \$11.7 million.

The Australian business recorded FY21 YTD Net Win to 24 January 2021 of \$94.0 million.

HIGHLIGHTS

Key highlights for the Reporting Period are set out below:

STRONG PERFORMANCE METRICS

- For the 12 months to 31 December 2020, the Australian business had 142,992 Active Clients, a 77% increase compared to Active Clients for the 12 months to 31 December 2019.
- For the 12 months to 31 December 2020, the US business had 68,094 Active Clients, a 222% increase compared to Active Clients for the 12 months to 31 December 2019.
- Group Net Win of \$82.8 million during the Reporting Period, represents a 177% growth on the 6 months to 31 December 2019 (PCP).
- The Australian Trading business recorded a 211% increase in Net Win on the PCP and increased Net Win Margin to 7.9%, up from 7.8% in the PCP.
- The Australian Trading business recorded a statutory EBITDA of \$8.0 million for the Reporting Period.
- Online handle market share in New Jersey (10.8%)¹², Illinois (8.9%)¹³ and Indiana (3.8%)¹⁴.

US MARKET ACCESS AND BUSINESS DEVELOPMENT

- 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.
- 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.
- 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 17 November 2020, PointsBet launched online operations in Colorado.
- On 22 January 2021, PointsBet launched online sports betting operations in Michigan as part of the first wave of operators to launch in that state.

12. Based on total New Jersey online sports betting handle for the Reporting Period, as reported by the New Jersey Division of Gaming Enforcement.

13. Based on total Illinois online sports betting handle between October and December 2020, as reported by the Illinois Gaming Board.


14. Based on total Indiana online sports betting handle during the Reporting Period, as reported by the Indiana Gaming Commission.

ONLINE OPERATIONS

- The Group accepted more than 31.5 million bets for the 12 months to 31 December 2020 (compared to just over 12.6 million bets for the 12 months to 31 December 2019).
- In Australia, on Melbourne Cup Day 2020, PointsBet successfully processed more than 428,000 bets, a further demonstration of the Company's technological capabilities.
- PointsBet had a very successful Super Bowl LV. The Company recorded 4x the turnover and 12x the number of first time bettors as compared to the previous year's Super Bowl. Importantly, the Company suffered no technical issues or delays during the high volume betting event.

5 YEAR MEDIA PARTNERSHIP WITH NBCUNIVERSAL

- 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 organisations 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. 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.



OFFICIAL SPORTS BETTING PARTNER

THE PARTNERSHIP DELIVERS:

| | | | | |
|---|--|---|--|---|
| LARGEST LARGEST SPORTS AUDIENCE OF ANY U.S. MEDIA COMPANY | EXCLUSIVE EXCLUSIVE TELEVISION AND DIGITAL INTEGRATIONS ACROSS PARTNERSHIP | DIVERSE DIVERSE ASSET MIX ACROSS NATIONAL, REGIONAL AND LOCAL PLATFORMS | EFFICIENT DRIVES HIGHLY EFFICIENT USER ACQUISITION AND RETENTION MARKETING | ALIGNMENT KEY ALIGNMENT REINFORCED WITH A SIGNIFICANT EQUITY SUBSCRIPTION |
|---|--|---|--|---|

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

OVERVIEW:

- High traffic and high growth digital assets provide exclusive gaming integration opportunities allowing PointsBet to connect with sports fans 24 / 7 / 365
- Ability for NBC and PointsBet to geo-target users via NBC Sports high growth Digital properties to reach than 60mm MAU
- Launched Peacock streaming service in July 2020
- Full suite of sports focused on mobile apps
- Collection of national and regional podcasts further integrate PointsBet into the local sports conversation
- Large and growing social media presence
- Wealth of consumer data across NBC Sports assets including interactions, usage, behaviors, and demographic details across all platforms
- Ability to create customized marketing campaigns to target specific audience groups

NBC SPORTS DIGITAL

peacock

NBCSports.com

Sports predictor

ROTWORLD

GOLFPASS

PODCAST

MY TEAMS

GN

60MM
MONTHLY ACTIVE USERS

POINTS BET

NBC Sports

HIGHLIGHTS

#1 AUDIENCE IN SPORT

184mm VIEWERS

81% REACH OF THE U.S. SPORTS BETTING MARKET

100% AVAILABILITY TO U.S. HOUSE HOLDS

[60MM] MONTHLY AVE USERS ACROSS DIGITAL PLATFORMS

120MM HOUSEHOLDS

SELECT ASSETS

BROADCAST NETWORKS

TELEMUNDO

REGIONAL SPORTS NETWORKS

Sports CHICAGO

Sports WASHINGTON

Sports BOSTON

Sports PHILADELPHIA

Sports CALIFORNIA

Sports BAY AREA

Sports NORTHWEST

CABLE NETWORKS

NBCSN

GOLF USA

DIGITAL

NBC SPORTS DIGITAL

PODCAST

MY TEAMS

NBCSports.com

ROTWORLD

GOLF

GOLFPASS

GOLFNOW

LOCAL TV

11 O&O
200+ Affiliates

TELEMUNDO
30 Local stations

Source:

comScore; Monthly Active Uniques; Aug'16-July'20; Yahoo Sports-NBC Sports Network, RotoWorld.com; Chicago Properties = NBC Chicago, NBC Sports Chicago/Comcast SportsNet Chicago & Telemundo Chicago

BRAND AND MARKETING

- 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 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.
- On 25 January 2021, PointsBet announced the appointment of professional basketball champion and three-time Finals MVP, Shaquille O'Neal, as its Australian brand ambassador.
- On 27 January 2021, PointsBet announced the appointment of Paige Spiranac as a global brand ambassador. The former professional golfer and social media influencer has built a following of nearly three million followers on Instagram and seven million across all social media platforms, the largest of any golf personality in the world.
- 10 February 2021, PointsBet announced a multi-year strategic partnership with the National Hockey League (NHL), naming PointsBet an "Official Sports Betting Partner of the NHL". The agreement between PointsBet and the NHL spans across both the United States and Australia. As part of the partnership, PointsBet receives rights to use NHL marks and logos, as well as a variety of NHL sponsorship and promotional opportunities for its brand across various linear, digital, and social media assets.

PRODUCT AND TECHNOLOGY

- Continued investment in our Product and Technology.
- Launched Odds Boost for Single Game Parlay.
- Launched Single Game Parlay (Same Game Multi) for NFL, NBA, Cricket (Big Bash) in Australia and US.
- Reduced bet settlement times significantly in Australia and the US.
- Launched a digital online help centre in Australia and the US.
- Went live with Win Probability Metric on NBA.com.
- Made substantial improvement to client deposit experience with the launch of Quick Deposit in Australia and the US.

CORPORATE HIGHLIGHTS

- 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.
- Continued investment in market-leading talent with Full Time Equivalent (FTE) of 303 as at 31 December 2020.
- Admitted to the S&P ASX 300 Index on 22 June 2020 and the S&P ASX 200 Index on 4 February 2021.

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

PERFORMANCE SUMMARY

GROUP

| ALL FIGURES IN A\$ | GROUP | | | AUSTRALIA | | | US | | |
|-------------------------------------|--------|----------|--------------|-----------|----------|--------------|--------|--------|--------------|
| | HY20 | HY21 | PCP INCREASE | HY20 | HY21 | PCP INCREASE | HY20 | HY21 | PCP INCREASE |
| Turnover | \$533m | \$1,890m | ↑ +255% | \$349m | \$1,071m | ↑ +207% | \$184m | \$819m | ↑ +345% |
| Gross Win | \$47m | \$154m | ↑ +225% | \$38m | \$136m | ↑ +257% | \$9m | \$18m | ↑ +92% |
| Gross Win % | 8.9% | 8.1% | ↓ (0.7pp) | 10.9% | 12.7% | ↑ +1.8pp | 5.0% | 2.2% | ↓ (2.9pp) |
| Net Win | \$30m | \$83m | ↑ +177% | \$27m | \$85m | ↑ +211% | \$3m | (\$2m) | n.m |
| Net Win % | 5.6% | 4.4% | ↓ (1.2pp) | 7.8% | 7.9% | ↑ +0.1pp | 1.4% | (0.2%) | ↓ (1.7pp) |
| Active Clients ¹⁵ ('000) | 102 | 211 | ↑ +107% | 81 | 143 | ↑ +77% | 21 | 68 | ↑ +222% |

15. Active clients are clients that have placed a bet in the 12 months preceding the relevant period end date.

GROUP PROFIT AND LOSS

| IN A\$M | STATUTORY | |
|--|---------------|--------|
| | HY21 | HY20 |
| Net revenue | 75.1 | 27.4 |
| Cost of sales | (49.5) | (15.1) |
| Gross profit | 25.6 | 12.3 |
| Other income | 0.4 | 0.1 |
| Sales and marketing expense | (62.9) | (20.6) |
| Employee benefits expense | (22.6) | (15.4) |
| Product and technology expense | (6.0) | (2.5) |
| Administration and other expenses | (5.8) | (3.2) |
| Total operating expenses | (97.3) | (41.7) |
| EBITDA | (71.3) | (29.3) |
| Net finance costs (including foreign exchange) | (10.0) | (0.7) |
| Depreciation and amortisation expense | (4.4) | (2.3) |
| Loss for the half year | (85.6) | (32.3) |

During the Reporting Period, The Group recorded a Net Revenue¹⁶ increase of 174% to \$75.1 million compared to the PCP. This was driven by significant Net Revenue growth in the Australian Trading business, with the US business delivering a negative Net Revenue of (\$2.0) million as a result of negative short term trading variance during the Reporting period, specifically during Q2 FY21. As announced on 29 January 2021, the US business recorded a FY21 YTD Net Revenue to 24th January 2021 of \$11.7 million.

In Australia, the Company recorded Net Revenue for the Reporting Period of \$77.2 million, delivering outstanding year-on-year Net Revenue growth of 212%.

Gross Profit Margins for the Australian Trading business have remained consistent on a PCP basis. Given the US business recorded a negative Net Revenue for HY21, our US business recorded a negative Gross Profit for the Reporting Period.

The Company continued to capitalise on its expanding US presence, and invest in growing its global talent, particularly in the Product and Technology division, as well as rolling out operations in two new states (Illinois and Colorado), and preparing for launch in Michigan in January. The Company maintained its disciplined and opportunistic approach to marketing investment.

During the Reporting Period, Group expenses were primarily driven by marketing, employee benefits and information technology costs.

- **AU Marketing** – Australian marketing expenses were \$21.1 million for the Reporting Period, which increased versus the PCP.
- **US Marketing** – US marketing expenses were \$41.8 million, an increase year on year reflecting the ongoing operations in three states and the launch of two new states during the period.
- **Employee Benefits** – expenses have increased as The Group continues to build a world class team across all areas of the business. FTE as at 31 December 2020 had grown 54% since 30 June 2020 with 303 FTEs.
- **Product and Technology** – during H1 FY20, The Company was operational in Australia and 2 US states, being New Jersey and Iowa. During H1 FY21, the Company was operational in Australia and 5 US states, being New Jersey, Iowa, Indiana, Illinois and Colorado and as a result betting volumes increased, costs associated with developing, hosting, operating and securing our technology and data platforms increased and thus Product and Technology costs increased for the Reporting Period versus the PCP.

The Australian Trading business achieved a statutory EBITDA of \$8.0 million, compared to a statutory EBITDA loss of (\$3.4) million in the PCP.

As a result of the significant investment into the US business, The Group recorded a statutory EBITDA loss of (\$71.3) million for the Reporting Period, compared to a statutory loss of (\$29.3) million in the PCP.

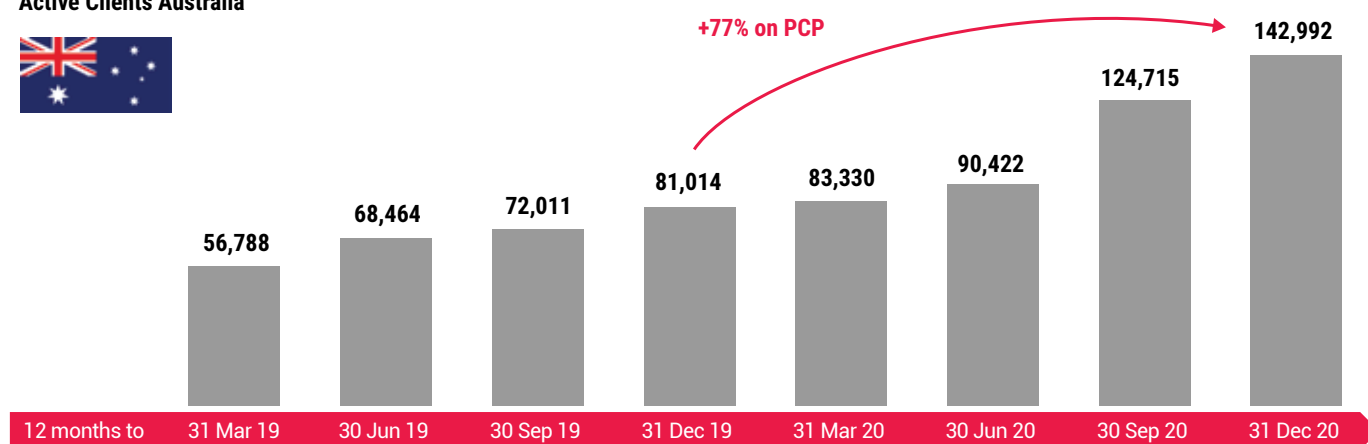
¹⁶ Net Revenue is measured at the fair value of the consideration received or receivable from Clients less GST, free bets, promotions, bonuses and other fair value adjustments.

REVIEW OF OPERATIONS CONTINUED

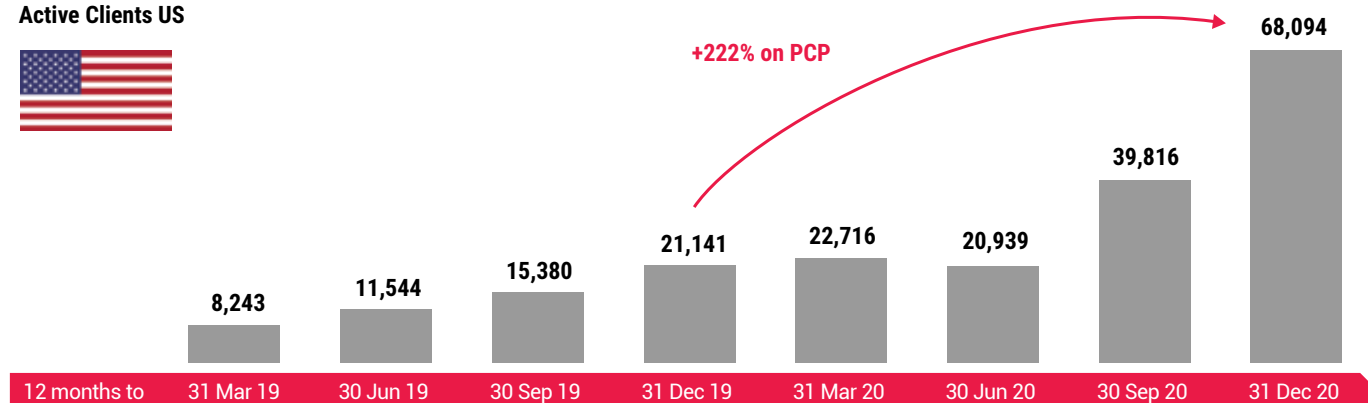
FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

ACTIVE CLIENTS¹⁷

Active Clients Australia



Active Clients US



For the 12 months to 31 December 2020, the Australian business had 142,992 Active Clients, a 77% increase compared to Active Clients for the 12 months to 31 December 2019.

For the 12 months to 31 December 2020, the US business had 68,094 Active Clients, a 222% increase compared to Active Clients for the 12 months to 31 December 2019.

17. Active clients are clients that have placed a bet in the 12 months preceding the relevant period end date.

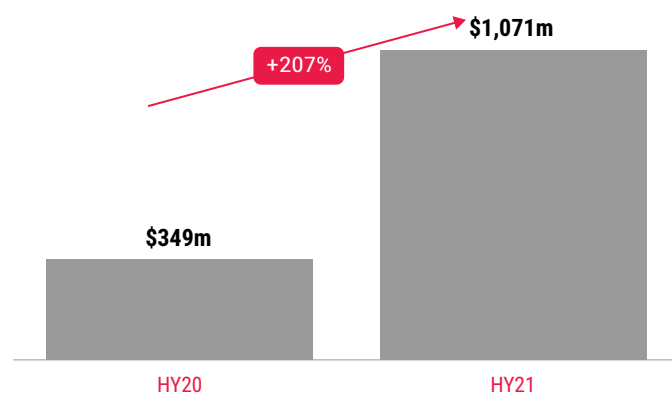
REGIONAL OPERATIONS

AUSTRALIAN TRADING BUSINESS

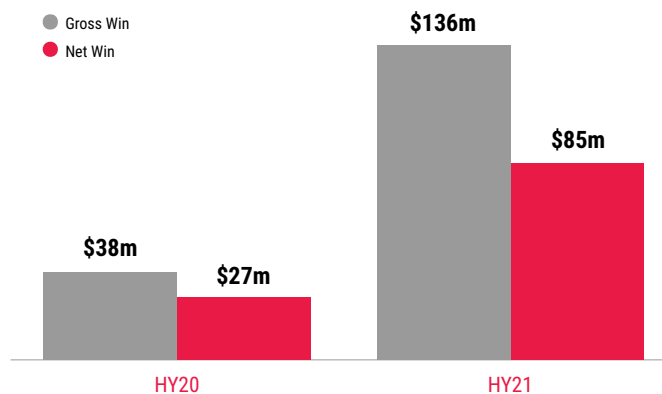
POINTS BET AUSTRALIA – PCP PERFORMANCE (A\$M)

| KEY METRICS | HY21 | HY20 | INCREASE | YTD ¹⁸ |
|------------------|--------|-------|----------|-------------------|
| Turnover | 1071.0 | 349.2 | 207% | 1189.4 |
| Gross Win | 136.1 | 38.1 | 257% | 150.4 |
| Gross Win Margin | 12.7% | 10.9% | 1.8pp | 12.6% |
| Net Win | 84.8 | 27.2 | 211% | 94.0 |
| Net Win Margin | 7.9% | 7.8% | 0.1pp | 7.9% |
| Net Revenue | 77.2 | 24.8 | 212% | |

POINTS BET AUSTRALIA – TURNOVER (A\$)



POINTS BET AUSTRALIA – GROSS WIN AND NET WIN (A\$)



As previously communicated, the Company is pursuing a strategy to increase its market share as a result of the recent structural changes in the Australian wagering market, including brand consolidation (BetEasy, previously the third largest brand in the Australian market merging with SportsBet during the Reporting Period) and a continued shift from retail (venue) to online wagering.

The Australian Trading business achieved strong Net Revenue growth of 212% and achieved a statutory EBITDA of \$8.0 million for the Reporting Period, compared to a statutory EBITDA loss of (\$3.4) million in the PCP.

Net Win Margin of 7.9% increased from 7.8% in the PCP, despite the Company increasing promotional spend as a percentage of Gross Win across the Spring Racing Carnival in 2020 as compared to 2019. The half also saw an increase in the percentage of Turnover that was bet on the higher margin multi-bet product compared to the prior corresponding period. The launch of Same Game Multi for NFL and NBA in September and December 2020 respectively further contributed to higher overall margins.

This strong performance demonstrates PointsBet's capability to disrupt and grow market share in a highly competitive environment. Over the Reporting Period, Net Revenue for the Australian Trading business increased to \$77.2 million from \$24.8 million in the PCP as the business continued to increase its client base, focused on client retention and rolled out improved and innovative product and technology enhancements.

PointsBet's improved product offering, user experience and brand equity has helped drive growth in Net Revenue and market share. We have seen greater share of wallet from existing clients and greater levels of client retention.

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

The Company's marketing strategy continues to maintain a focus on excellence in achieving a return on investment on the Company's marketing spend via an integrated multi-channel effort and in-depth analysis of category target audience.

The Company continued its national broadcast role as the exclusive Channel 7 Victorian odds integration partner for the Spring Racing Carnival coverage. This is a long-term strategic media asset and was particularly important given the current brand consolidation and reduced attendance at racetracks, pubs and clubs over the Spring Racing Carnival.

The performance of the Australia Trading Business remains an excellent blueprint for our aspirations in the United States. Our ability to operate a growing, profitable business in the advanced and competitive Australian market, backed by continually improving product and growing brand recognition, provides confidence in the continued execution of our US strategy.

On 25 January 2021, PointsBet announced the appointment of professional basketball champion and three-time Finals MVP, Shaquille O'Neal, as its Australian brand ambassador.

Shaquille O'Neal will headline the Company's new 2021 Australian brand campaign, which will roll out across television, digital, mobile, and social media. U.S. sports, particularly professional basketball, continues to be the fastest-growing betting sport in Australia, and therefore aligning with Shaquille O'Neal is particularly exciting for the business.

PointsBet Australia continues to benefit from the Company's investment in its platform, product and client experience, and this investment is reflected in the trading results.

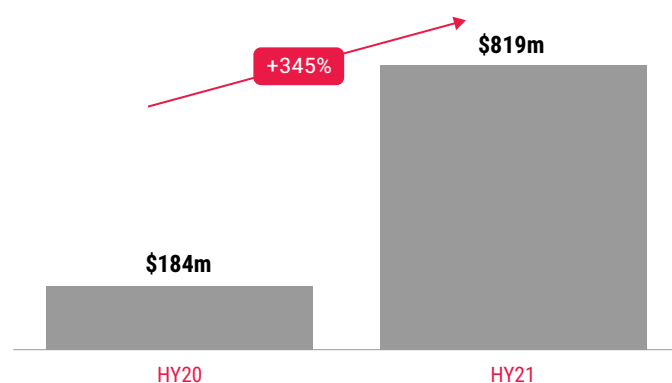
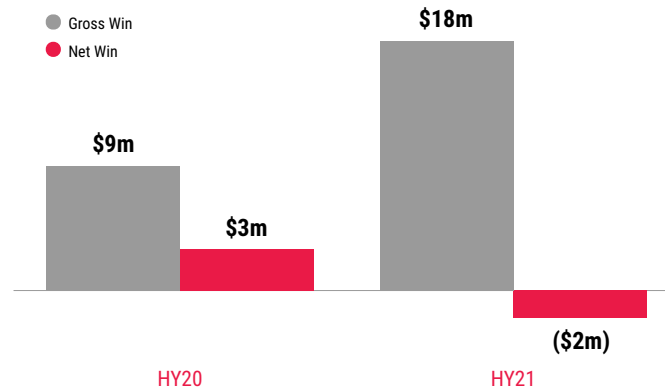
PointsBet Australia remains well-positioned to continue to expand its client base and to continue its overall growth.



UNITED STATES

POINTS BET UNITED STATES – HY20 PERFORMANCE (A\$M)²⁰

| KEY METRICS | TURNOVER | GROSS WIN | GROSS WIN MARGIN | NET WIN | NET WIN MARGIN |
|------------------------------|--------------|-------------|------------------|--------------|----------------|
| New Jersey | 588.3 | 4.2 | 0.7% | (3.8) | (0.6)% |
| Iowa | 12.2 | 1.1 | 8.9% | 0.9 | 7.0% |
| Indiana | 47.7 | 2.9 | 6.0% | (1.5) | (3.1)% |
| Illinois (from 12 Sep 2020) | 165.1 | 9.3 | 5.7% | 2.9 | 1.7% |
| Colorado (from 17 Nov 2020) | 5.8 | 0.3 | 4.6% | (0.5) | (7.9)% |
| Total US HY21 | 819.1 | 17.7 | 2.2% | (2.0) | (0.2)% |
| Total US HY20 | 183.9 | 9.2 | 5.0% | 2.6 | 1.4% |
| Change vs PCP | 345% | 92% | (2.9)pp | n.m. | (1.7)pp |
| **TRADING UPDATE** | | | | | |
| 1 to 24 Jan 2021 | 119.2 | 17.9 | 15.0% | 13.7 | 11.5% |
| FY21 YTD¹⁹ | 938.3 | 35.7 | 3.8% | 11.7 | 1.2% |

POINTS BET US – TURNOVER (A\$)²⁰POINTS BET US – GROSS WIN AND NET WIN (A\$)²⁰

PointsBet has continued to take advantage of the growing opportunity in the United States as numerous states legalise and launch sports betting, with strong leadership, experienced management and a scalable proprietary cloud-based technology platform. The United States execution strategy was enhanced during the Reporting Period with PointsBet becoming 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.

The US business achieved a Gross Win of \$17.7 million during the Reporting Period, compared to Gross Win of \$9.2 million for the PCP, with a negative Net Win of (\$2.0) million, compared to Net Win of \$2.6 million for the PCP. As previously noted, due to the nature of the sports betting industry, half yearly figures are not always representative of the Company's longer-term trends.

This is evidenced by the United States business' strong start to H2 FY21 as announced on 29 January 2020, reversing the aggregate H1 FY21 negative Net Win of (\$2.0) million to record a FY21 YTD Net Win to 24 January 2021 of \$11.7 million.

19. 1 July 2020 to 24 January 2021.

20. The AUD:USD foreign exchange rate used was the average rate for the specified period.

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

During the Reporting Period, PointsBet continued its targeted marketing investment in New Jersey and Indiana and launched operations in Illinois assisted by the NBC Sports media assets, as well as launching operations in Colorado in November 2020. PointsBet continued to not make any significant marketing investment in Iowa during the Reporting Period, however increased targeted spend in the state from 1 January 2021 when in person registration was replaced by online registration.

Given the continuation of the major US sports leagues and PointsBet's increased investment in marketing during the Reporting Period to US\$30.3 million, the US business saw Active Clients during the 12 months to 31 December 2020 increase to 68,094, a 222% increase compared to the 12 months to 31 December 2019.

As a result of the overall H1 FY21 trading performance, increased investment in marketing and increased employee head count, the US business recorded a statutory EBITDA loss of (\$69.2) million for the Reporting Period, compared to a statutory EBITDA loss of (\$22.1) million in the PCP.

On 22 January 2021, PointsBet launched online sports betting operations in Michigan as part of the first wave of operators to launch in that state. PointsBet is now operational in New Jersey, Iowa, Indiana, Illinois, Colorado and Michigan.

On 27 January 2021, PointsBet announced the appointment of Paige Spiranac as a global brand ambassador. The former professional golfer and social media influencer has built a following of nearly three million followers on Instagram and seven million across all social media platforms, the largest of any golf personality in the world.

NEW JERSEY

PointsBet achieved 10.8% market share in New Jersey for online handle during the Reporting Period²¹, on the back of increased activity in Q2 FY21 from clients whose average bet size is significantly above the median. The Company continues to target a long-term market share of 10%.

New Jersey recorded Gross Win of \$4.2 million, at a Gross Win Margin of 0.7% and a Net Win loss of (\$3.8) million, at a Net Win Margin of (0.6)%. This was primarily driven from short term negative variance of trading results. Early results in New Jersey in H2 FY21 have favoured the Company resulting in YTD to 24 January 2021 positive Net Win in the state.

ILLINOIS

PointsBet launched online operations in Illinois on 12 September 2020. For the period from October 2020 to December 2020, PointsBet achieved an 8.9% market share for online handle²². Whilst we are very pleased with this result, PointsBet acknowledged that the IGB recorded an online bet count market share of 3.9% during the same period as the Company risk managed clients whose average bet size is significantly above the median. The Company continues to target a long-term market share of 10%.

During the Reporting Period, Illinois recorded Gross Win of \$9.3 million, at a Gross Win Margin of 5.7% and a Net Win of \$2.9 million, at a Net Win Margin of 1.7%.

Illinois remains a remote registration environment due to the Emergency Order extending remote registration.

On Friday, 22 January 2021, PointsBet launched operations at its first Off Track Betting shop (OTB) at Crestwood. This is in addition to existing retail operations at Hawthorne Race Course.

INDIANA

In Indiana, PointsBet achieved 3.8% market share for online handle during the Reporting Period²³, ranking as the fourth largest operator by handle in December 2020.

During the Reporting Period, Indiana recorded Gross Win of \$2.9 million, at a Gross Win Margin of 6.0% and a Net Win loss of (\$1.5) million, at a Net Win Margin of (3.1)%. Given the early stage of this competitive state, the Company continued to focus on acquiring and retaining clients which resulted in promotions exceeding Gross Win.

21. Based on total New Jersey online sports betting handle, as reported by the New Jersey Division of Gaming Enforcement.

22. Based on total Illinois online sports betting handle, as reported by the Illinois Gaming Board.

23. Based on total Indiana online sports betting handle, as reported by the Indiana Gaming Commission.

COLORADO

Between launch on 17 November and 31 December 2020, Colorado recorded quarterly Gross Win of \$0.3 million, at a Gross Win Margin of 4.6% and a Net Win loss of (\$0.5) million, at a Net Win Margin of (7.9)%. Noting the Company launched in mid-November, the online handle market share for November and December was 1.0%²⁴.

Given the Company's recent launch in this market, PointsBet continues to focus on acquiring and retaining clients which resulted in promotions exceeding Gross Win.

In H2 FY21, PointsBet will continue to leverage its partnership with Kroenke Sports & Entertainment as the exclusive gaming partner of the Denver Nuggets of the NBA, Colorado Avalanche of the NHL, Colorado Mammoth of the National Lacrosse League, and the Ball Arena in downtown Denver.

IOWA

On 1 January 2021, Iowa moved to remote registration and in H2 FY21 PointsBet has increased its marketing spend in line with its strategy of achieving a 10% market share.

During the Reporting Period, Iowa recorded Gross Win of \$1.1 million, at a Gross Win Margin of 8.9% and a Net Win of \$0.9 million, at a Net Win Margin of 7.0%.

PointsBet achieved 2.4% market share for online handle during the H1 FY21²⁵.

iGAMING

Michigan will see the inaugural launch of PointsBet's iGaming product in H2 FY21, followed by launch in New Jersey.

PointsBet's platform is in the final stages of development as well as having integrated the first round of third-party content, with a live dealer solution to follow. PointsBet is now in the process of production testing which will be followed by certification. PointsBet is excited to launch in Michigan, pending the required approvals in H2 FY21, with New Jersey a fast follow soon after.

While an in-house built platform takes longer to execute than an off the shelf B2B product, PointsBet now controls its iGaming technology solution. This will deliver ongoing benefits for speed to market and product enhancements as PointsBet expands its iGaming access across more states and in the medium to long term, a significant margin advantage as it avoids third party platform fees.

NBC PARTNERSHIP UPDATE

NBCUniversal is the perfect partner for PointsBet as it executes on its US media, customer acquisition and retention strategy.

As previously communicated, NBCUniversal reaches 100% of all US households, with their digital platforms having over 60 million monthly active users.

NBCUniversal has a diverse media mix across local, regional and national platforms. This allows PointsBet the ability to geotarget and customise local, regional and national marketing campaigns.

NBCUniversal has an incredible array of rights to live sports broadcasts, with their diverse and market leading portfolio including the NFL, PGA TOUR, NHL, English Premier League and NASCAR, to name just a few.

These rights are distributed across national broadcast and cable networks (including the Spanish language Telemundo network), regional sports networks, local television stations and expansive digital platforms. Key digital platforms to note include Peacock, a direct-to-consumer streaming service inclusive of live sports, RotoWorld, a sports betting news and information subscription service, and GolfNow, the largest online tee-time marketplace in the world.

PointsBet is extremely pleased with the progress it has made to date under this partnership. Both teams are aligned to the opportunities ahead and are working to unlock value and execute on PointsBet's brand strategy.

24. Based on total Colorado online sports betting handle, as reported by the Colorado Department of Revenue – Division of Gaming.

25. Based on total Iowa online sports betting handle, as reported by the Iowa Racing and Gaming Commission.

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

PointsBet advertising units have been deployed via NBC's national, regional and local sports networks (RSNs), including throughout all Bulls, Blackhawks, Sixers, and Flyers games on linear and live streaming via the NBC Sports mobile application. In addition, PointsBet markets and offers have been promoted throughout all pre-game and post-game coverage, when applicable.

From a national perspective, PointsBet has featured in NHL and EPL pre-game coverage and ticker integrations, together with running order integrations during NASCAR and IndyCar races.

In addition, PointsBet has garnered significant coverage as part of NBC's Golf Channel's Morning Drive and Golf Central programs, focused on odds for upcoming events with brand inclusion and coverage.

In collaboration with NBC Sports and the PGA Tour, PointsBet powered a first of its kind golf betting companion "BetCast" during the Waste Management Open at TPC Scottsdale's Stadium Course, one of the largest PGA tour events.

BetCast provides a distinct betting version of this major sporting broadcast, with PointsBet having exclusive integrations with our odds, unique markets and promotions. BetCast will be distributed via Peacock - the NBC direct to consumer platform and air for 2.5 hours each day, being 10 hours total. BetCast will aim to lay the framework for future activations of its kind with PointsBet and NBC.

EDGE BETCAST
POINTS BET

peacock

WM PHOENIX OPEN
Live Odds To Win Tournament
POINTS BET

| | | | | | |
|--|-----------------------|--|---------------------------|--|--------------------------|
| | Spieth +450 | | Schauffele -120 | | Scheffler +800 |
|--|-----------------------|--|---------------------------|--|--------------------------|

-120 MEANS \$12 BET WINS \$10 (ODDS SUBJECT TO CHANGE)

Odds to Win

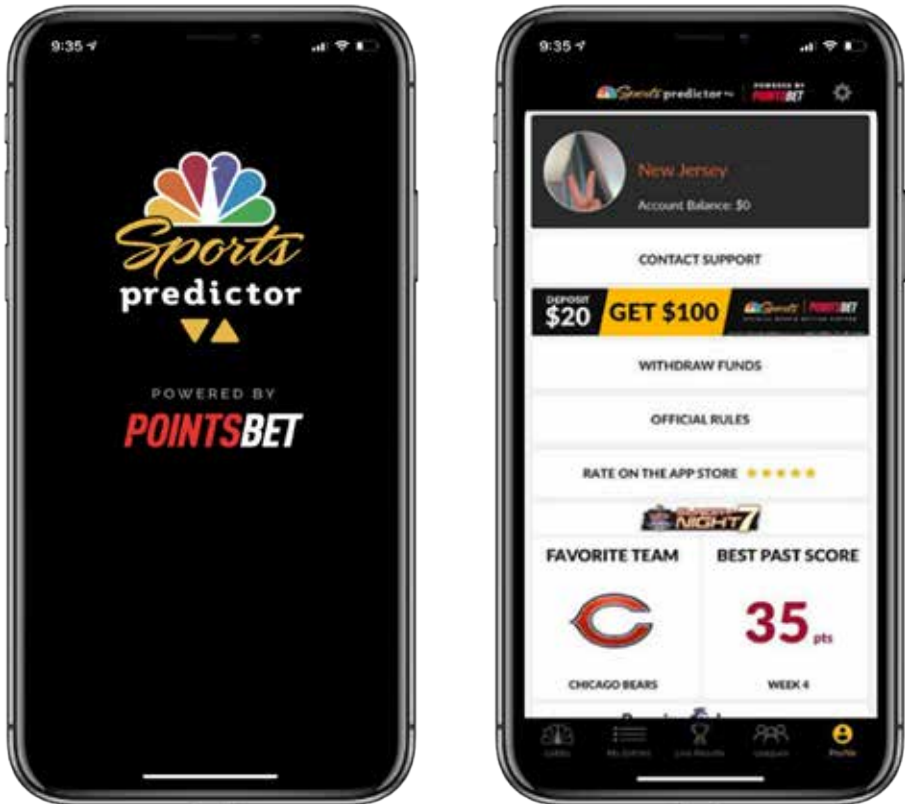
| | | |
|-----------------------------------|-------------------------------|-----------------------------|
| 1. Xander Schauffele -18 (3) -120 | 2. Jordan Spieth -17 (3) +450 | 3. James Hahn -16 (5) +1400 |
|-----------------------------------|-------------------------------|-----------------------------|

peacock

As previously mentioned, PointsBet has been able to leverage its technology capabilities to integrate into NBC digital products and platforms.

Effectv has launched PointsBet "Voice Plus" ads in November which leverages the capabilities of the Xfinity X1 voice remote. A text overlay during the ad tells users to "Say PointsBet to get 2 risk-free bets up to \$1,000", and when spoken triggers an SMS message direct to the customer with a unique signup code.

Similarly, PointsBet has integrated with the NBC "free to play" Predictor mobile app, including exclusive PointsBet branding, odds integration and promotional messaging for users to easily engage with sign up offers that drive directly to PointsBet for a seamless conversion process.



Further, in H2 FY21, PointsBet and NBC will co-promote bundling offers aimed to drive further partnership association of NBC and PointsBet and provide fans with discounted rates for NBC products after placing a first-time bet with PointsBet. This is in addition to the PointsBet signup offers which are shared multiple times per week via email communication to NBC's marketing databases.

PAIGE SPIRANAC SOCIAL MEDIA OVERVIEW


2.8M+


3.3M+


365k+


170k+


501k+

TOTAL FOLLOWING: **7.5 MILLION+**
 HIGHEST ENGAGEMENT IN GOLF // TOP 20 ALL SPORTS CELEBRITIES



KEY INSIGHTS

- #1 Social Media Engagement in Golf.**
- #1 Social Media Interaction in Golf.**
- #1 Following of any Golfer.**
- 42% of Followers HH income over \$100,000.**
- 61% of Audience between 24-44.**
- Instagram: Averages Over 1 Million Video Views per post.**
- Facebook: 27.3 Million Unique Video Views last 12 months.**
- Averages of 275k views per Instagram story.**
- YouTube: 132 Million Impressions last 12 months.**

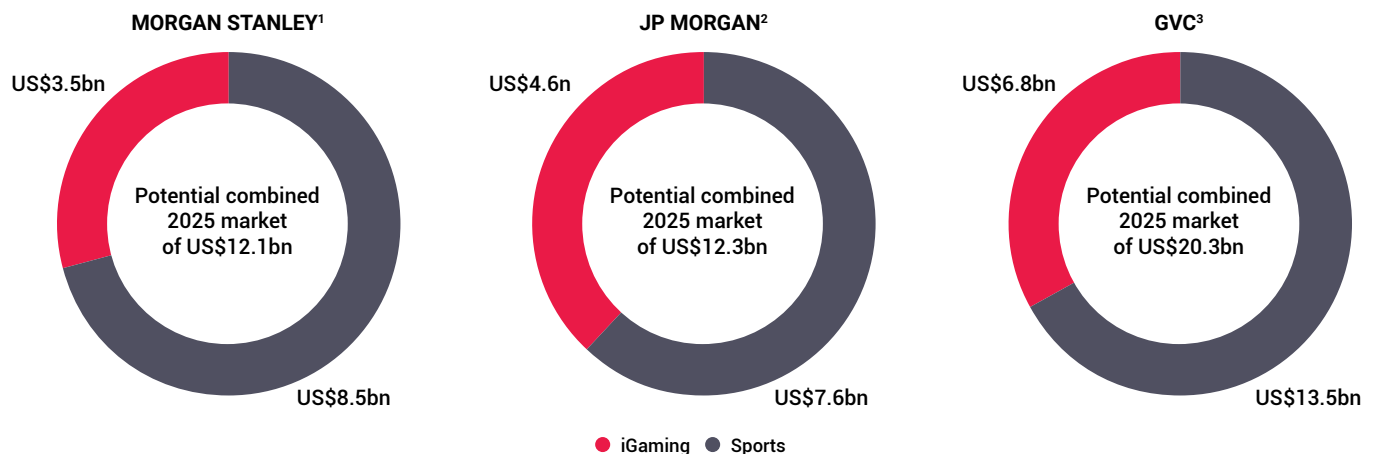
REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020



TOTAL ADDRESSABLE US SPORTS BETTING AND IGAMING MARKET ESTIMATES

NBC SPORTS DEAL ALIGNS WITH 2025 US\$12 BILLION OPPORTUNITY



Sources:

Morgan Stanley, 'All In on Best-in-Breed Sports Betting' report on DraftKings (30 April 2020); JP Morgan 'US Sports Betting and iGaming: The Biggest Gaming Opportunity Since Riverboats in the Early '90s' report (13 August 2020); GVC Holdings PLC 2020 Interim Results presentation.

Notes:

1. 2025 sports wagering revenue and iGaming revenue projection as per Morgan Stanley report;
2. 2025 sports wagering revenue and iGaming revenue projection as per JP Morgan report;
3. 2025 sports wagering revenue and iGaming revenue projection as per GVC Holdings PLC Interim Results presentation.

PointsBet continues to execute on our strategic and operational objectives. PointsBet is now operational in six US states and continues to build its US brand to capitalise on the ongoing growth of the addressable US sports betting and iGaming markets.

The US sports wagering and iGaming market opportunity over the term of the NBCUniversal partnership to 2025 is predicted to be at least US\$12.1 billion of annual revenue²⁶.

This is the immediate opportunity as PointsBet pursues its target market share of 10% for each state it enters.

CORPORATE

Corporate administrative costs (Board, Finance, Legal, Human Resources, Property and other central functions) that cannot be readily allocated to individual operating segments and are not used by the CODM (Chief Operating Decision Maker) for making operating and resource allocation decisions. The statutory EBITDA loss for the Corporate Segment for the Reporting Period was (\$6.4) million.

Key drivers of this change include:

- increase in listed company related costs including share registry, and stock exchange costs resulting from capital raising transactions that occurred in H1 FY2021
- increase in external consultant and legal costs from capital raising and corporate transactions; and
- an increase in employment benefits (including share based payment expenses) due to increased headcount of support staff.

As at 31 December 2020, PointsBet had A\$359.1 million of corporate cash, part of which is held in USD.

26. Morgan Stanley: 'All In on Best-in-Breed Sports Betting' report on DraftKings (30 April 2020).

REVIEW OF OPERATIONS CONTINUED

FOR THE 6 MONTHS ENDING 31 DECEMBER 2020

GROUP BALANCE SHEET

| IN A\$M | STATUTORY AS AT 31 DECEMBER 2020 | STATUTORY AS AT 30 JUNE 2020 |
|---------------------------------------|-------------------------------------|---------------------------------|
| Cash and cash equivalents | 388.3 | 144.3 |
| Intangible assets | 69.0 | 56.8 |
| Right-of-use assets | 8.2 | 8.3 |
| Prepayments | 176.5 | 1.5 |
| Deposits held in escrow ²⁷ | 11.8 | – |
| Other assets | 7.7 | 5.2 |
| Total assets | 661.6 | 216.2 |
| Lease liabilities | 9.4 | 9.0 |
| Trade and other payables | 30.1 | 14.6 |
| Player cash accounts ²⁸ | 26.4 | 7.4 |
| Financial liability | 73.3 | – |
| Other liabilities | 9.2 | 7.9 |
| Total liabilities | 148.4 | 39.0 |
| Net assets | 513.2 | 177.1 |
| Total equity | 513.2 | 177.1 |

Cash and cash equivalents includes Client cash of \$29.2m (30 June 2020: \$9.0m)

At 31 December 2020 The Group had net assets of \$513.2million, representing a 190% increase on the PCP net assets of \$177.1 million.

Net asset movements are driven primarily by:

- Cash received upon completion of the \$353.2 million capital raise in September 2020.
- Prepayments, including prepayments for future marketing spend of \$159.5 million representing an offset to the total cash marketing commitment across the five years under the NBCUniversal Media Partnership.
- Financial liability (non-current) relating to the fair value of the debt component of the share options issued as part of the NBCUniversal transaction. The \$73.3 million includes the notional interest charged on the financial liability for the half-year period.
- Investment in US licences and market access, through agreement with access partners; and
- Continued investment in our betting platform through the capitalisation of employee costs.

27. The deposits held in escrow relate primarily to marketing commitments.

28. Player cash accounts includes \$2.9 million of other financial liabilities.

GROUP STATEMENT OF CASH FLOWS

| A\$M | STATUTORY | |
|---|---------------|---------------|
| | HY21 | HY20 |
| Receipts from customers (including GST) | 82.7 | 29.8 |
| Payments to suppliers and employees (including GST) | (152.0) | (53.9) |
| Net interest | 0.3 | 0.3 |
| Net increase/(decrease) in client cash | 20.3 | 0.8 |
| Net cash outflow from operating activities | (48.8) | (23.0) |
| Net cash outflow from investing activities | (35.4) | (12.6) |
| Net cash inflow from financing activities | 341.2 | 118.3 |
| Net cash flows | 257.0 | 82.7 |

At 31 December 2020 The Group had a cash balance of \$388.3 million, including \$29.2 million of client cash.

- Net operating outflows were (\$48.8) million in line with our investment in marketing, staff and technology. Net operating outflows were \$(69.1) million when excluding movement in player cash accounts.
- Net investing outflows were (\$35.4) million in line with our investment in US licences and market access.
- Net financing inflows were \$341.2 million in line with capital raising.

CONCLUSION

PointsBet is laser focused on capitalising on the emerging market opportunity in the US and a mature but growing Australian market.

It is clear that throughout H1 FY21, every aspect of the business has retained its single-minded focus on execution.

In Australia, the execution by the technology, marketing, client service and trading teams to achieve the growth and margin improvements was first class.

In the US, the team continued to focus on maximising client engagement, growing market share in the states where PointsBet is operational, as well as its launches in Illinois and Colorado during the Reporting Period and in Michigan in January.

PointsBet's global technology team continued to develop, build and enhance the Company's scalable proprietary technology platform, across both sports wagering and iGaming.

DIRECTORS' REPORT

31 DECEMBER 2020

Your directors present their report on the consolidated entity consisting of PointsBet Holdings Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of PointsBet Holdings Limited during the half-year and up to the date of this report:

Samuel John Swanell

Anthony Peter Symons

Nicholas James Fahey (retired 17 November 2020)

Peter Damien McCluskey

Brett William Fisher Paton

Becky Kay Harris

Manjit Gombra Singh (appointed 17 November 2020)

PRINCIPAL ACTIVITIES

During the period the principal continuing activities of The Group consisted of the development of a PointsBetting™, fixed odds racing, sports, and iGaming online trading platform and providing online wagering services for sports and racing.

REVIEW OF OPERATIONS

The loss from ordinary activities after income tax amounted to \$85,590,971 (31 December 2019: \$32,252,881).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 28 August 2020, PointsBet USA Inc. ("PointsBet"), a wholly owned subsidiary of PointsBet Holdings Limited ("The Group") and NBCUniversal Media LLC ("NBCUniversal"), a subsidiary of Comcast Corporation entered into a five-year media partnership.

As part of the 5-year marketing agreement, under which the Company has agreed to a total committed marketing spend of US\$393 million, the Company has entered into a subscription agreement with NBCUniversal ("Subscription Agreement"). Under the Subscription Agreement, NBCUniversal were issued with new fully paid ordinary shares in the Company representing a 4.9% ownership interest ("Consideration Shares") and 66.88 million options maturing in five years ("Consideration Options").

The equity component of the 66.88 million Consideration Options (\$32.6 million) represents the fair value of options determined in accordance with Australian Accounting Standards by reference to the fair value of services received and is equal to the Consideration Options Value (\$105.3 million) less the fair value of the debt component forgone should the Consideration Options be exercised (\$72.7 million) on or before the option expiry date.

In September 2020, The Group raised \$353.2 million through an underwritten capital raise comprising an institutional placement to raise \$200.0 million and a 1 for 6.5 accelerated pro rata renounceable entitlement offer with retail entitlements trading to raise \$153.2 million. Eligible Shareholders 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.

There have been no other significant changes in the state of affairs of The Group during the period.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected The Group's operations, results or state of affairs, or may do so in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

This report is made in accordance with a resolution of directors.



BWF Paton

Director

Cremorne, 25 February 2021

AUDITOR'S INDEPENDENCE DECLARATION



RSM Australia Partners

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 T +61(0) 3 9286 8000
 F +61(0) 3 9286 8199
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of PointsBet Holdings Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 25 February 2021
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
RSM Australia Partners ABN 36 965 185 036

Liability Ltd by a scheme approved under Professional Standards Legislation



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

| | NOTES | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---|-------|------------------------|------------------------|
| Continuing Operations | | | |
| Revenue | 3 | 75,133,842 | 27,391,548 |
| Cost of sales | | (49,520,934) | (15,114,062) |
| Gross profit | | 25,612,908 | 12,277,486 |
| Other (expenses) | 4(a) | (9,155,655) | (1,080,451) |
| Expenses | | | |
| Marketing expenses | | (62,875,077) | (20,649,610) |
| Occupancy expenses | | (325,706) | (609,099) |
| Administration expenses | | (4,140,709) | (1,209,017) |
| Other expenses | | (838,041) | (339,457) |
| Consulting expenses | | (405,344) | (383,016) |
| Information technology costs | | (5,991,723) | (2,499,781) |
| Employee benefits expenses | 5 | (22,581,749) | (15,371,384) |
| Travel and accommodation expenses | | (134,661) | (623,042) |
| Depreciation and amortisation | 5 | (4,370,181) | (2,250,817) |
| Total expenses | | (101,663,191) | (43,935,223) |
| Finance income | 4(b) | 573,831 | 675,730 |
| Finance expenses | 4(b) | (958,864) | (190,423) |
| Finance income/(costs) – net | | (385,033) | 485,307 |
| Loss before income tax | | (85,590,971) | (32,252,881) |
| Income tax expense | | – | – |
| Loss for the period | | (85,590,971) | (32,252,881) |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | (21,020,170) | 244,740 |
| Total comprehensive loss for the period | | (106,611,141) | (32,008,141) |
| Loss for the period attributable to: | | | |
| Owners of PointsBet Holdings Limited | | (85,591,971) | (32,252,881) |
| Total comprehensive loss for the period is attributable to: | | | |
| Owners of PointsBet Holdings Limited | | (106,611,141) | (32,008,141) |
| | | CENTS | CENTS |
| Loss per share for loss attributable to owners of PointsBet Holdings Limited | | | |
| Basic and diluted (loss) per share | 20 | (47.6) | (25.9) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | NOTES | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|--------------------------------------|-------|------------------------|--------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 388,345,549 | 144,338,937 |
| Trade and other receivables | 7 | 306,272 | 272,151 |
| Other assets | 11 | 36,917,718 | 1,477,128 |
| Total current assets | | 425,569,539 | 146,088,216 |
| Non-current assets | | | |
| Financial assets at amortised cost | | 220,178 | 220,028 |
| Plant and equipment | 8 | 5,626,421 | 3,236,312 |
| Intangible assets | 10 | 68,954,680 | 56,782,098 |
| Other assets | 11 | 153,027,306 | 1,507,984 |
| Right-of-use assets | 9(a) | 8,203,353 | 8,337,220 |
| Total non-current assets | | 236,031,938 | 70,083,643 |
| Total assets | | 661,601,477 | 216,171,859 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 30,069,221 | 14,643,611 |
| Employee benefit obligations | 13 | 1,877,397 | 1,256,029 |
| Provisions | 14 | 125,539 | 79,157 |
| Other financial liabilities | 15 | 2,879,863 | 1,523,913 |
| Other current liabilities | 16 | 29,716,297 | 7,876,186 |
| Lease liabilities | 9(b) | 2,170,221 | 874,810 |
| Total current liabilities | | 66,838,538 | 26,253,706 |
| Non-current liabilities | | | |
| Other non-current liabilities | 17 | 646,890 | 4,344,570 |
| Employee benefit obligations | 13 | 123,533 | 83,677 |
| Lease liabilities | 9(b) | 7,291,851 | 8,168,651 |
| Provisions | 14 | 192,331 | 195,959 |
| Financial liability | 21(b) | 73,335,269 | – |
| Total non-current liabilities | | 81,589,874 | 12,792,857 |
| Total liabilities | | 148,428,412 | 39,046,563 |
| Net assets | | 513,173,065 | 177,125,296 |
| EQUITY | | | |
| Share capital | 18(a) | 641,683,897 | 261,758,201 |
| Other reserves | 18(b) | 50,562,783 | 8,849,739 |
| Accumulated (losses) | 18(c) | (179,073,615) | (93,482,644) |
| Total equity | | 513,173,065 | 177,125,296 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

| ATTRIBUTABLE TO OWNERS OF POINTSBET HOLDINGS LIMITED | | | | | |
|--|-------|---------------------|----------------------|--------------------------|----------------------|
| | NOTES | SHARE CAPITAL \$ | OTHER RESERVES \$ | ACCUMULATED LOSSES \$ | TOTAL EQUITY \$ |
| Balance at 1 July 2019 | | 124,641,045 | 1,884,931 | (52,019,255) | 74,506,721 |
| Loss for the period | | – | – | (32,252,881) | (32,252,881) |
| Other comprehensive income | | – | 244,740 | – | 244,740 |
| Total comprehensive income/(loss) for the half-year | | – | 244,740 | (32,252,881) | (32,008,141) |
| Transactions with owners in their capacity as owners: | | | | | |
| Exercise of options | 18(a) | 356,201 | (149,947) | – | 206,254 |
| Capital raising | 18(a) | 122,065,640 | – | – | 122,065,640 |
| Issued capital | 18(a) | 18,198,529 | – | – | 18,198,529 |
| Share options issue | 18(a) | – | 5,621,962 | – | 5,621,962 |
| Less: Share issue costs | 18(b) | (3,590,935) | – | – | (3,590,935) |
| Balance at 31 December 2019 | | 137,029,435 | 5,472,015 | – | 142,501,450 |
| Balance at 1 July 2020 | | 261,758,201 | 8,849,739 | (93,482,644) | 177,125,296 |
| Loss for the period | | – | – | (85,590,971) | (85,590,971) |
| Other comprehensive loss | | – | (21,020,170) | – | (21,020,170) |
| Total comprehensive loss for the half-year | | – | (21,020,170) | (85,590,971) | (106,611,141) |
| Transactions with owners in their capacity as owners: | | | | | |
| Exercise of options – ESOP | 18(a) | 704,825 | (452,233) | – | 252,593 |
| Exercise of options – listed options | 18(a) | 3,055 | – | – | 3,055 |
| Issued capital - NBCUniversal transaction | 18(a) | 65,284,024 | 32,621,168 | – | 97,905,192 |
| Capital raising – placement | 18(a) | 200,000,009 | – | – | 200,000,009 |
| Capital raising - retail and institutional entitlement offer | 18(a) | 153,227,165 | – | – | 153,227,165 |
| Listed options adjustment | 18(a) | (27,178,684) | 27,178,684 | – | – |
| Less: share issue costs | 18(a) | (12,114,699) | – | – | (12,114,699) |
| Share options issue | 18(b) | – | 3,385,595 | – | 3,385,595 |
| Total for the half-year | | 379,925,695 | 62,733,214 | – | 442,658,910 |
| Balance at 31 December 2020 | | 641,683,897 | 50,562,783 | (179,073,615) | 513,173,065 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

| | NOTES | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|--|-------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 82,697,354 | 29,827,142 |
| Payments to suppliers and employees (inclusive of GST) | | (152,038,731) | (53,938,471) |
| | | (69,341,377) | (24,111,329) |
| Interest received | | 554,552 | 499,518 |
| Interest paid | | (296,444) | (190,423) |
| Net increase in player cash accounts | | 20,316,743 | 841,899 |
| Net cash outflow from operating activities | | (48,766,525) | (22,960,335) |
| Cash flows from investing activities | | | |
| Payments for plant and equipment | 8 | (3,411,301) | (1,475,698) |
| Payments for intangible assets - capitalised software development | 10 | (5,802,898) | (2,853,075) |
| Payments for intangible assets- market access | 10 | (14,271,042) | (7,353,653) |
| Payment of software | 10 | - | (82,431) |
| Deposits held in escrow facility | | (11,923,919) | - |
| Rental bond | | - | (875,214) |
| Net cash outflow from investing activities | | (35,409,161) | (12,640,071) |
| Cash flows from financing activities | | | |
| Proceeds from issues of shares and other equity securities | 18 | 341,115,532 | 118,474,748 |
| Option exercises | | 252,589 | 206,253 |
| Repayment of leases | | (203,983) | (387,253) |
| Net cash inflow from financing activities | | 341,164,138 | 118,293,748 |
| Net increase in cash and cash equivalents | | 256,988,452 | 82,693,342 |
| Cash and cash equivalents at the beginning of the financial period | | 144,338,937 | 75,885,880 |
| Effects of exchange rate changes on cash and cash equivalents | | (12,981,840) | (1,060,805) |
| Cash and cash equivalents at end of the period | | 388,345,549 | 157,518,417 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

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1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by PointsBet Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

2. SEGMENT AND REVENUE INFORMATION

(A) DESCRIPTION OF SEGMENTS

The consolidated entity has determined that its operating segments are its reportable segments. The Group's reportable segments are as follows:

- Australian Trading;
- Technology; and
- United States

This is based on the internal management reports that are reviewed by the Chief Executive Officer (who is identified as the Chief Operating Decision Maker (CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Australian Trading revenue includes revenue from fixed odds sports and racing wagering services provided to Australian customers. The Group reports the gains and losses on all betting positions as revenue, which is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments net of GST.

The Technology segment derives its revenue from licensing fees charged to the Australian Trading and The Group's trading subsidiaries in the United States.

The United States segment derives revenue from fixed odds online and retail sports wagering services to United States customers.

Corporate administrative costs (Board, Finance, Legal, Internal Audit, Human Resources, Property and other central functions) cannot be readily allocated to individual operating segments and are not used by the CODM for making operating and resource allocation decisions. Hence, these are shown in the reconciliation of reportable segments to group totals.

(B) SEGMENT RESULTS

| 31 DECEMBER 2020 | AUSTRALIAN TRADING \$ | USA \$ | TECHNOLOGY \$ | CORPORATE \$ | TOTAL \$ |
|--|--------------------------|--------------------|--------------------|-----------------|--------------------|
| Sales to external customers | 77,157,078 | (2,023,236) | – | – | 75,133,842 |
| Intersegment sales | – | – | 8,413,884 | – | 8,413,884 |
| Elimination of intersegment sales | – | – | (8,413,884) | – | (8,413,884) |
| Revenue from external customers | 77,157,078 | (2,023,236) | – | – | 75,133,842 |

| 31 DECEMBER 2019 | AUSTRALIAN TRADING \$ | USA \$ | TECHNOLOGY \$ | CORPORATE \$ | TOTAL \$ |
|--|--------------------------|------------------|------------------|-----------------|-------------------|
| Sales to external customers | 24,755,318 | 2,636,230 | – | – | 27,391,548 |
| Intersegment sales | – | 428,804 | 2,462,101 | – | 2,890,905 |
| Elimination of intersegment sales | – | (428,804) | (2,462,101) | – | (2,890,905) |
| Revenue from external customers | 24,755,318 | 2,636,230 | – | – | 27,391,548 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

2. SEGMENT AND REVENUE INFORMATION CONTINUED

(C) EBITDA

Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the consolidated entity.

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---------------------|------------------------|------------------------|
| Australian trading | 7,986,523 | (3,400,394) |
| USA | (69,244,305) | (22,136,376) |
| Technology | (3,645,095) | (2,065,477) |
| Corporate | (6,352,707) | (1,686,182) |
| Total EBITDA | (71,255,585) | (29,288,429) |

EBITDA reconciles to operating loss before income tax as follows:

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|--|------------------------|------------------------|
| Total EBITDA | (71,255,585) | (29,288,429) |
| Finance costs | (958,864) | (190,423) |
| Interest revenue | 573,831 | 675,730 |
| Depreciation and amortisation | (4,370,181) | (2,250,817) |
| Net foreign exchange (losses) | (9,580,172) | (1,198,942) |
| Loss before income tax from continuing operations | (85,590,971) | (32,252,881) |

INTERSEGMENT TRANSACTIONS

Transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

ACCOUNTING POLICY FOR OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to the operating segments and assessing their performance.

MAJOR CUSTOMERS

There are no major customers that represented more than 10% of the segment revenue.

(D) SEGMENT ASSETS

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|---|------------------------|--------------------|
| Australian trading | 18,833,863 | 7,157,816 |
| USA | 294,357,236 | 73,200,494 |
| Technology | 24,860,273 | 18,186,035 |
| Corporate | 767,181,030 | 266,103,049 |
| Total segment assets | 1,105,233,201 | 364,647,394 |
| Intersegment eliminations | (443,631,724) | (148,475,535) |
| Total assets as per the Consolidated Statement of Financial Position | 661,601,477 | 216,171,859 |

(E) SEGMENT LIABILITIES

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|--|------------------------|--------------------|
| Australian Trading | (20,860,241) | (16,749,943) |
| USA | (45,023,385) | (18,904,007) |
| Technology | (31,272,007) | (25,844,902) |
| Corporate | (73,902,466) | (619,391) |
| Total segment liabilities | (171,058,099) | (62,118,243) |
| Intersegment eliminations | 22,629,687 | 23,071,680 |
| Total liabilities as per the Consolidated Statement of Financial Position | (148,428,412) | (39,046,563) |

INTERSEGMENT RECEIVABLES, PAYABLES AND LOANS

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

3. REVENUE

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---|------------------------|------------------------|
| Revenue received from customers | 141,539,784 | 43,835,020 |
| Less client promotion expenses | (66,405,942) | (16,443,472) |
| Total revenue from continuing operations | 75,133,842 | 27,391,548 |

4. OTHER INCOME AND EXPENSE ITEMS**(A) OTHER INCOME/(EXPENSES)**

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---------------------------------|------------------------|------------------------|
| Net foreign exchange (losses) | (9,580,172) | (1,198,942) |
| Research and development income | 312,017 | 118,491 |
| Other Income | 112,500 | – |
| | (9,155,655) | (1,080,451) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

4. OTHER INCOME AND EXPENSE ITEMS CONTINUED

(B) FINANCE INCOME AND COSTS

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---|------------------------|------------------------|
| <i>Finance income</i> | | |
| Interest received | 573,831 | 675,730 |
| Finance income | 573,831 | 675,730 |
| <i>Finance costs</i> | | |
| Interest expense on financial liability | (645,469) | – |
| Interest expense on leases | (313,395) | (190,423) |
| Finance costs | (958,864) | (190,423) |
| Net finance income/(costs) | (385,033) | 485,307 |

5. EXPENSES

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---|------------------------|------------------------|
| Depreciation | 1,614,996 | 1,016,552 |
| Amortisation | 2,755,185 | 1,234,265 |
| Total depreciation and amortisation expenses | 4,370,181 | 2,250,817 |
| <i>Employee benefits expenses</i> | | |
| Salaries | 14,964,283 | 11,293,313 |
| Superannuation | 799,898 | 612,028 |
| Fringe benefits tax | 40,383 | 25,596 |
| Payroll tax | 1,075,360 | 706,567 |
| Share based payment expense | 3,423,593 | 1,422,117 |
| Other employee expenses | 2,278,233 | 1,311,763 |
| Total employee benefits expenses | 22,581,749 | 15,371,384 |

6. CASH AND CASH EQUIVALENTS

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|--|------------------------|--------------------|
| Cash at bank and in hand | 320,293,216 | 57,305,432 |
| Player cash accounts | 29,238,937 | 8,965,326 |
| Term deposits | 38,813,396 | 78,068,179 |
| Total cash and cash equivalents | 388,345,549 | 144,338,937 |

7. TRADE AND OTHER RECEIVABLES

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|--------------------------------------|------------------------|--------------------|
| Other receivables (a)(b) | 306,272 | 272,151 |
| Total trade other receivables | 306,272 | 272,151 |

(A) OTHER RECEIVABLES

These amounts generally arise from transactions outside the usual operating activities of The Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three periods from the end of the reporting period.

(B) FAIR VALUE OF TRADE AND OTHER RECEIVABLES

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

8. PLANT AND EQUIPMENT

| | OFFICE EQUIPMENT \$ | COMPUTER EQUIPMENT \$ | LEASEHOLD IMPROVEMENTS \$ | ASSETS UNDER CONSTRUCTION \$ | RETAIL SPORTSBOOK ASSETS \$ | TOTAL \$ |
|---|---------------------------|-----------------------------|---------------------------------|------------------------------------|--------------------------------------|------------------|
| At 30 June 2020 | | | | | | |
| Cost | 111,272 | 1,203,006 | 1,101,181 | 731,880 | 1,527,634 | 4,674,972 |
| Accumulated depreciation | (48,888) | (798,673) | (339,564) | – | (251,535) | (1,438,660) |
| Net book amount | 62,384 | 404,333 | 761,617 | 731,880 | 1,276,099 | 3,236,312 |
| Half-year ended 31 December 2020 | | | | | | |
| Opening net book amount | 62,384 | 404,333 | 761,615 | 731,880 | 1,276,099 | 3,236,312 |
| Exchange rate differences | (6,167) | (38,741) | (142,956) | (130,763) | (169,546) | (488,173) |
| Additions | 48,272 | 233,001 | 1,670,036 | 631,661 | 843,273 | 3,426,243 |
| Transfers | – | – | – | – | – | – |
| Depreciation charge | (14,595) | (134,315) | (209,899) | – | (189,152) | (547,961) |
| Closing net book amount | 89,895 | 464,278 | 2,078,796 | 1,232,778 | 1,760,674 | 5,626,421 |
| At 31 December 2020 | | | | | | |
| Cost | 148,849 | 1,343,967 | 2,613,398 | 1,232,778 | 2,166,754 | 7,505,746 |
| Accumulated depreciation | (58,954) | (879,689) | (534,602) | – | (406,080) | (1,879,773) |
| Net book amount | 89,895 | 464,278 | 2,078,796 | 1,232,778 | 1,760,674 | 5,626,421 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

9. RIGHT-OF-USE ASSET AND LEASE LIABILITIES

The right-of-use assets for property leases were measured on a modified retrospective basis where the right-of-use assets for property leases are measured at the amount equal of the lease liabilities.

(A) MOVEMENTS IN RIGHT-OF-USE ASSETS

The recognised right-of-use assets relate to the following types of assets:

| | PROPERTY \$ |
|--|--------------------|
| Opening net book amount (1 July 2020) | 8,337,220 |
| Additions | 1,758,184 |
| Exchange rate differences | (831,103) |
| Depreciation charge | (1,060,948) |
| At 31 Dec 2020 | |
| Net book amount | 8,203,353 |

Additions to the right-of-use assets were \$1,758,184.

(B) LEASE LIABILITIES RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|--------------------------------|------------------------|--------------------|
| Current | 2,170,221 | 874,810 |
| Non-current | 7,291,851 | 8,168,651 |
| Total lease liabilities | 9,462,072 | 9,043,461 |

(C) AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|--|------------------------|--------------------|
| Depreciation expense of right-of-use assets | (1,060,948) | (577,676) |
| Interest expense (included in finance cost) | (313,395) | (190,423) |
| Total amount recognised in profit or loss | (1,374,343) | (768,099) |

10. INTANGIBLE ASSETS

| | LICENCES AND MARKET ACCESS \$ | SOFTWARE \$ | BETTING PLATFORM DEVELOPMENT \$ | TOTAL \$ |
|-------------------------------------|-------------------------------------|----------------|---------------------------------------|-------------------|
| At 30 June 2020 | | | | |
| Cost | 47,044,081 | 126,005 | 14,118,887 | 61,288,974 |
| Accumulated amortisation | (1,561,474) | (15,315) | (2,930,086) | (4,506,876) |
| Net book amount | 45,482,607 | 110,691 | 11,188,801 | 56,782,098 |
| Half-year ended 30 June 2020 | | | | |
| Opening net book amount | 45,482,607 | 110,691 | 11,188,801 | 56,782,098 |
| Exchange rate differences | (5,635,846) | (3,417) | (137,077) | (5,776,340) |
| Additions | 14,315,303 | – | 6,394,053 | 20,709,356 |
| Amortisation charge | (1,420,843) | (6,102) | (1,333,489) | (2,760,434) |
| Closing net book amount | 52,741,221 | 101,171 | 16,112,288 | 68,954,680 |
| At 31 December 2020 | | | | |
| Cost | 55,474,050 | 120,559 | 20,368,678 | 75,964,369 |
| Accumulated amortisation | (2,732,829) | (19,387) | (4,256,390) | (7,009,689) |
| Net book amount | 52,741,221 | 101,171 | 16,112,288 | 68,954,680 |

11. OTHER ASSETS

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|----------------------------------|------------------------|--------------------|
| Prepayments – current (a) | 35,947,362 | 1,477,128 |
| Deposits held in escrow facility | 970,356 | – |
| Total current assets | 36,917,718 | 1,477,128 |
| Rental bond | 1,593,797 | 1,507,985 |
| Prepayment – non-current (a) | 140,565,758 | – |
| Deposits held in escrow facility | 10,867,751 | – |
| Total non-current assets | 153,027,306 | 1,507,985 |

a) Prepayments include a prepayment for future marketing spend of \$159.5 million (Current: \$18.2 million, Non-current: \$141.3 million, representing an offset to the total cash marketing commitment across the five years under the NBCUniversal Media Partnership. NBCUniversal were issued \$65.3 million of new fully paid ordinary shares in the Company representing a 4.9% ownership interest and 66.88 options maturing in five years. Refer Note 18(a), 18(b) and 21(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

12. TRADE AND OTHER PAYABLES

| | 31 DECEMBER 2020 | | | 30 JUNE 2020 | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | CURRENT \$ | NON-CURRENT \$ | TOTAL \$ | CURRENT \$ | NON-CURRENT \$ | TOTAL \$ |
| Trade payables | 6,251,279 | – | 6,251,279 | 7,476,563 | – | 7,476,563 |
| Accrued expenses | 21,438,814 | – | 21,438,814 | 5,249,510 | – | 5,249,510 |
| Other payables | 2,379,128 | – | 2,379,128 | 1,917,538 | – | 1,917,538 |
| Total trade and other payables | 30,069,221 | – | 30,069,221 | 14,643,611 | – | 14,643,611 |

13. EMPLOYEE BENEFIT OBLIGATIONS

| | 31 DECEMBER 2020 | | | 30 JUNE 2020 | | |
|-------------------|------------------|-------------------|-------------|---------------|-------------------|-------------|
| | CURRENT \$ | NON-CURRENT \$ | TOTAL \$ | CURRENT \$ | NON-CURRENT \$ | TOTAL \$ |
| Leave obligations | 1,877,397 | 123,533 | 2,000,930 | 1,256,029 | 83,677 | 1,339,706 |

(A) NON-CURRENT LIABILITIES – EMPLOYEE BENEFIT OBLIGATIONS

(I) LEAVE OBLIGATIONS

The leave obligations cover The Group's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$1,877,397 (30 June 2020: \$1,256,029) is presented as current, since The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

14. PROVISIONS

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|-------------------------------|------------------------|--------------------|
| Current | | |
| Provision for chargebacks (a) | 125,539 | 79,157 |
| Non-current | | |
| Lease make good (a) | 192,331 | 195,959 |

(A) INFORMATION ABOUT INDIVIDUAL PROVISIONS AND SIGNIFICANT ESTIMATES

PROVISION FOR CHARGEBACKS

Provision for chargebacks represents an estimate of expected payments for losses on fraudulent or disputed payment transactions.

LEASE MAKE GOOD

The provision represents the present value of the estimated costs to make good the premises leased by The Group at the end of the respective lease terms.

| | PROVISION FOR CHARGEBACKS \$ | LEASE MAKE GOOD \$ | TOTAL \$ |
|--|------------------------------------|--------------------------|----------------|
| Carrying amount at 1 July 2020 | 79,157 | 195,959 | 275,116 |
| Charged/(credited) to profit or loss | – | (3,628) | (3,628) |
| – additional provisions recognised | 46,385 | – | 46,385 |
| Amounts used during the year | – | – | – |
| Carrying amount at 31 December 2020 | 125,542 | 192,331 | 317,873 |

15. OTHER FINANCIAL LIABILITIES

| | 31 DECEMBER 2020 | | | 30 JUNE 2020 | | |
|------------------------------|------------------|-------------------|------------------|---------------|-------------------|-------------|
| | CURRENT \$ | NON-CURRENT \$ | TOTAL \$ | CURRENT \$ | NON-CURRENT \$ | TOTAL \$ |
| Pending bets – at fair value | 2,879,863 | – | 2,879,863 | 1,523,913 | – | 1,523,913 |

16 OTHER CURRENT LIABILITIES

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|-------------------------|------------------------|--------------------|
| Deferred income | 122,773 | 434,773 |
| Player cash accounts | 26,359,074 | 7,441,413 |
| Market access liability | 3,234,450 | – |
| | 29,716,297 | 7,876,186 |

17. OTHER NON-CURRENT LIABILITIES

| | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|-------------------------|------------------------|--------------------|
| Market access liability | 646,890 | 4,344,570 |

18. EQUITY

(A) SHARE CAPITAL

| | 31 DECEMBER 2020 SHARES | 30 JUNE 2020 SHARES | 31 DECEMBER 2020 \$ | 30 JUNE 2020 \$ |
|------------------------|----------------------------|------------------------|------------------------|--------------------|
| Ordinary shares | | | | |
| Fully paid | 205,522,036 | 152,835,021 | 641,683,897 | 261,758,201 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

18. EQUITY CONTINUED

MOVEMENTS IN ORDINARY SHARES:

| DETAILS | DATE | SHARE PRICE \$ | NUMBER OF SHARES | TOTAL \$ |
|--|------------|-------------------|---------------------|--------------------|
| Balance 30 June 2020 | | | 152,835,021 | 261,758,201 |
| Exercise of options – ESOP | 3/07/2020 | 1.18 | 346,464 | 409,710 |
| Exercise of options – ESOP | 8/09/2020 | 0.64 | 412,740 | 264,424 |
| Exercise of options – ESOP | 18/11/2020 | 0.24 | 128,651 | 30,692 |
| Exercise of options – listed | 22/12/2020 | 13.00 | 235 | 3,055 |
| Issued capital – NBCUniversal transaction | 18/11/2020 | 6.50 | 10,043,696 | 65,284,024 |
| Capital raising – placement | 9//09/2020 | 11.00 | 18,181,819 | 200,000,009 |
| Capital raising – retail and institutional entitlement offer | 14/09/2020 | 6.50 | 10,838,044 | 70,447,286 |
| Capital raising – retail and institutional entitlement offer | 1/10/2020 | 6.50 | 12,735,366 | 82,779,879 |
| Listed options adjustment | 1/10/2020 | – | – | (27,178,684) |
| Less: share issue costs | | | | (12,114,698) |
| At 31 December 2020 | | | 205,522,036 | 641,683,897 |

(B) OTHER RESERVES

The following table shows a breakdown of the consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

| | SHARE-BASED PAYMENTS \$ | FOREIGN CURRENCY TRANSLATION \$ | TOTAL OTHER RESERVES \$ |
|--|-------------------------------|---------------------------------------|-------------------------------|
| At 30 June 2020 | 9,160,540 | (310,801) | 8,849,739 |
| Other currency translation differences | – | (21,020,170) | (21,020,170) |
| Transactions with owners in their capacity as owners | | | |
| Share-based payment – NBCUniversal | 32,621,168 | – | 32,621,168 |
| Listed options | 27,178,684 | – | 27,178,684 |
| Share-based payment expenses – ESOP | 3,385,595 | – | 3,385,595 |
| Option exercises | (452,232) | – | (452,232) |
| At 31 December 2020 | 71,893,754 | (21,330,971) | 50,562,783 |

(I) NATURE AND PURPOSE OF RESERVES

Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(C) ACCUMULATED LOSSES

Movements in accumulated losses were as follows:

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|-------------------------|------------------------|------------------------|
| At 1 July | (93,482,644) | (52,019,255) |
| Net loss for the period | (85,590,971) | (32,252,881) |
| At 31 December | (179,073,615) | (84,272,136) |

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

While the impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

20. LOSS PER SHARE**(A) WEIGHTED AVERAGE NUMBER OF SHARES USED AS DENOMINATOR**

| | 31 DECEMBER 2020 | 31 DECEMBER 2019 |
|--|---------------------|---------------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | 179,781,185 | 124,583,737 |
| Options | 89,036,441 | 21,355,026 |
| Key Employee Equity Plan Performance Share Rights | 3,530,481 | – |
| | 272,348,107 | 145,938,763 |

| | 31 DECEMBER 2020 \$ | 31 DECEMBER 2019 \$ |
|---------------------|---------------------------|---------------------------|
| Loss for the period | (85,590,971) | (32,252,881) |

| | 31 DECEMBER 2020 CENTS | 31 DECEMBER 2019 CENTS |
|--------------------------------|------------------------------|------------------------------|
| Basic loss per share (cents) | (47.6) | (25.9) |
| Diluted loss per share (cents) | (47.6) | (25.9) |

Options have been excluded from the above calculations in the current and previous year as their inclusion will be anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

21. SHARE-BASED PAYMENTS

(A) EMPLOYEE OPTION PLAN

Employee Share Option Plan (ESOP) – The terms of the ESOP was disclosed in the Prospectus dated 16 May 2019. The ESOP is designed to provide options over ordinary shares in PointsBet Holdings Limited for senior managers and key management personnel to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

| | WEIGHTED AVERAGE EXERCISE PRICE | NUMBER OF OPTIONS |
|---|---------------------------------|-------------------|
| As at 1 July 2020 | 2.22 | 12,282,190 |
| Granted during the half-year | – | 100,000 |
| Exercised during the half-year | 0.02 | (859,685) |
| Forfeited during the half-year | 4.11 | (50,000) |
| As at 31 December 2020 | 1.50 | 11,472,505 |
| Vested and exercisable at 31 December 2020 | 1.04 | 962,603 |

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | 31 DECEMBER 2020 | 30 JUNE 2020 |
|------------|-------------|----------------|------------------|--------------|
| 20 Feb 17 | 20 Feb 20 | – | – | – |
| 16 Mar 17 | 16 Mar 20 | – | – | – |
| 5 Jul 17 | 5 Jul 20 | – | – | 48,794 |
| 7 Aug 17 | 7 Aug 20 | – | – | 19,619 |
| 28 Sep 17 | 28 Sep 20 | – | – | 112,554 |
| 2 Oct 17 | 2 Oct 20 | – | – | 13,959 |
| 1 Nov 17 | 1 Nov 20 | – | – | 348,980 |
| 15 Jan 18 | 15 Jan 21 | – | 28,170 | 28,170 |
| 19 Feb 18 | 19 Feb 21 | – | – | 28,170 |
| 1 May 18 | 1 May 21 | – | – | 45,147 |
| 16 May 18 | 16 May 21 | – | – | 5,660 |
| 29 May 18 | 29 May 21 | 0.08* | 23,517 | 23,517 |
| 18 Jun 18 | 18 Jun 21 | 0.08* | 140,597 | 140,597 |
| 30 Jun 18 | 30 Jun 21 | 0.08* | 193,543 | 411,607 |
| 6 Aug 18 | 6 Aug 21 | 0.08* | 103,373 | 122,111 |
| 17 Sep 18 | 17 Sep 21 | 0.08* | 4,653 | 4,653 |
| 30 Jan 19 | 30 Jan 23 | 0.63* | 2,326,532 | 2,326,532 |
| 30 Jan 19 | 30 Jan 24 | 0.63* | 2,125,916 | 2,125,916 |
| 30 Jan 19 | 30 Jan 25 | 0.63* | 2,095,457 | 2,095,457 |

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | 31 DECEMBER 2020 | 30 JUNE 2020 |
|---|-------------|----------------|-------------------|--------------|
| 28 Jun 19 | 30 Jan 24 | 1.47* | 558,094 | 558,094 |
| 28 Jun 19 | 30 Jan 25 | 1.47* | 537,201 | 537,201 |
| 29 Aug 19 | 30 Jan 23 | 2.07* | 312,500 | 312,500 |
| 29 Aug 19 | 31 Mar 23 | 2.07* | 288,250 | 288,250 |
| 29 Aug 19 | 30 Jan 24 | 2.07* | 423,125 | 423,125 |
| 29 Aug 19 | 30 Jan 25 | 2.07* | 386,577 | 386,577 |
| 6 Jan 20 | 6 Jan 25 | 4.11* | 587,500 | 612,500 |
| 6 Jan 20 | 6 Jan 26 | 4.11* | 587,500 | 612,500 |
| 17 Feb 20 | 17 Feb 25 | 5.11* | 325,000 | 325,000 |
| 17 Feb 20 | 17 Feb 26 | 5.11* | 325,000 | 325,000 |
| 3 Jul 20 | 17 Feb 25 | 3.84* | 50,000 | – |
| 3 Jul 20 | 17 Feb 26 | 3.84* | 50,000 | – |
| | | | 11,472,505 | 12,282,190 |
| Weighted average remaining contractual life of options at end of period | | | 3.23 years | 3.50 years |

(I) FAIR VALUE OF OPTIONS GRANTED

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| GRANT DATE | EXPIRY DATE | SHARE PRICE AT GRANT DATE | EXERCISE PRICE | EXPECTED VOLATILITY | DIVIDEND YIELD | RISK-FREE INTEREST RATE | FAIR VALUE AT GRANT DATE |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 3 Jul 20 | 17 Feb 25 | 5.82 | 3.84* | 50.00% | 0.00% | 0.42% | 2.8662 |
| 3 Jul 20 | 17 Feb 26 | 5.82 | 3.84* | 50.00% | 0.00% | 0.51% | 3.0658 |

* Exercise prices under note 21(a) have been adjusted following the completion of the accelerated pro-rata renoucement entitlement offer completed in September 2020.

(B) NBC UNIVERSAL TRANSACTION

On 28 August 2020, PointsBet USA Inc. ("PointsBet"), a wholly owned subsidiary of PointsBet Holdings Limited ("The Group") and NBCUniversal Media LLC ("NBCUniversal"), a subsidiary of Comcast Corporation entered into a five-year media partnership.

As part of the 5-year marketing agreement, under which the Company has agreed to a total committed marketing spend of US\$393 million, the Company has entered into a subscription agreement with NBCUniversal ("Subscription Agreement"). Under the Subscription Agreement, NBCUniversal were issued with new fully paid ordinary shares in the Company representing a 4.9% ownership interest ("Consideration Shares") and 66.88 million options maturing in five years ("Consideration Options").

The equity component of the 66.88 million Consideration Options (\$32.6 million) represents the fair value of options determined in accordance with Australian Accounting Standards by reference to the fair value of services received and is equal to the Consideration Options Value (\$105.3 million) less the fair value of the debt component forgone should the Consideration Options be exercised (\$72.7 million) on or before the option expiry date. The borrowing rate used to discount the potential debt obligation is 7.44%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31 DECEMBER 2020

21. SHARE-BASED PAYMENTS CONTINUED

(C) PBHO LISTED OPTIONS

In September 2020, the Company completed a 1 for 6.5 pro rata accelerated renounceable entitlement offer of New Shares at an Offer Price of \$6.50 per share raising \$153.2 million gross proceeds. Eligible Shareholders 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.

| | NUMBER OF OPTIONS |
|---|-------------------|
| As at 1 July 2020 | – |
| Granted during the half-year | 11,788,629 |
| Exercised during the half-year | (235) |
| Forfeited during the half-year | – |
| As at 31 December 2020 | 11,788,394 |
| Vested and exercisable at 31 December 2020 | 11,788,394 |

| GRANT DATE | EXPIRY DATE | SHARE PRICE AT GRANT DATE | EXERCISE PRICE | EXPECTED VOLATILITY | DIVIDEND YIELD | RISK-FREE INTEREST RATE | FAIR VALUE AT GRANT DATE |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 1 Oct 20 | 30 Sep 22 | 10.79 | 13.00 | 50.00% | 0.00% | 0.21% | 2.3055 |

(D) KEY EMPLOYEE EQUITY PLAN

Key Employee Equity Plan (KEEP) – The terms of the KEEP were disclosed in the KEEP Plan Rules dated 17 November 2020. The KEEP is a long-term employee share scheme that provides eligible employees to be offered conditional rights to fully paid ordinary shares in the Company upon satisfaction of vesting criteria over the vesting periods for no cash consideration.

During the period, 3,530,481 rights were issued to eligible employees. As at 31 December 3,530,481 rights remain outstanding.

Fair value has been measured at the share price at grant date.

The total expense recognised from the amortisation of performance rights is \$289,590.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 24 to 42 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the PointsBet Holdings Limited will be able to pay its debts as and when they become due and payable.



BWF Paton
Director

Cremorne
25 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF POINTSBET HOLDINGS LIMITED



RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of PointsBet Holdings Limited

We have reviewed the accompanying half-year financial report of PointsBet Holdings Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PointsBet Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PointsBet Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF POINTSBET HOLDINGS LIMITED



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PointsBet Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'BY Chan'.

B Y CHAN
Partner

Dated: 25 February 2021
Melbourne, Victoria

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CORPORATE DIRECTORY

DIRECTORS

BWF Paton

Non-Executive Chairman

SJ Swanell

Chief Executive Officer and Managing Director

PD McCluskey

Non-Executive Director

AP Symons

Non-Executive Director

BK Harris

Non-Executive Director

MG Singh

*President, Global Product and Technology
and Executive Director*

COMPANY SECRETARY

AJ Hensher

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AUDITOR

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LAWYERS

CLARENDON LAWYERS

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AUSTRALIA STOCK EXCHANGE LISTING

PointsBet Holdings Limited Ordinary shares are listed
on the Australian Securities Exchange

CODE: PBH

INTERNET SITE

<https://investors.pointsbet.com.au/>

INVESTOR EMAIL ADDRESS

Investors may send email queries to: investors@pointsbet.com

***POINTS*BET**