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PointsBet Announces Deferred Bonus Equity Option

Melbourne, Australia, 20 June 2022 – PointsBet Holdings Limited (ASX:PBH) (“PointsBet” or the “Company”) today announces a pro-rata deferred bonus equity option (“DBEO”) issuance to eligible shareholders, providing the ability for the Company to raise up to approximately A\$150 million during the next two (2) years.

Eligible shareholders will receive one (1) DBEO for every 20.2 ordinary shares held at 7pm (AEST) on Tuesday, 5 July 2022 (the “Record Date”) for nil consideration. Eligible shareholders do not need to take any action to be issued the bonus options.

At any time up until 7 April 2024 (three (3) months prior to the expiry of the DBEOs on 8 July 2024 (the “Expiry Date”)), the Company may elect (at its discretion) to allow holders the right (but not the obligation) to exercise their DBEOs (“Company Election”).

Where a Company Election occurs, each DBEO will grant the holder the right to acquire A\$10 worth of PointsBet ordinary shares at a 20% discount to the arithmetic average of the daily volume weighted average price per ordinary PointsBet share traded on the ASX during the ten (10) consecutive trading days commencing two (2) business days after the exercise period concludes.

Upon issuance DBEOs will be held and recorded on the Company’s Issuer Sub-register and eligible shareholders will receive a holding statement with their security registration number (or SRN) and allotment details. DBEOs are transferable, and the Company will explore liquidity opportunities for DBEO holders, should the Company make a Company Election.

The Company has the right, at any time before the Expiry Date, to cancel the outstanding DBEOs.

Full key terms of the DBEOs are included in **Appendix A**.

Theoretical Example 1 – The Company does not elect to give holders the right to exercise the DBEOs before the Expiry Date or cancels the outstanding DBEOs

The DBEOs will either lapse or be cancelled and thus no funds will be raised utilising this instrument.

Theoretical Example 2 – The Company elects to give holders the right to exercise the DBEOs

The example assumes a DBEO holder holds 2,020 ordinary PointsBet shares, which entitles the DBEO holder to 100 DBEOs (1 DBEO for every 20.2 ordinary PointsBet shares held). The holder elects to exercise 100 DBEOs.

Each DBEO entitles the DBEO holder acquire \$10 worth of ordinary PointsBet shares. For the theoretical example, the relevant VWAP is assumed to be \$5.00.

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Under the above assumptions, the DBEO holder would be entitled to acquire 250 new ordinary PointsBet shares at \$4.00 per share:

$$\text{Price per ordinary share} = \$5.00 \times (1 - 0.2) = \$4.00$$

$$\text{Aggregate Entitlement} = \$10 \times 100 = \$1,000$$

$$\text{New ordinary shares} = \frac{\$1,000}{\$4.00\text{p.s.}} = 250$$

PointsBet's Managing Director and Group CEO, Sam Swanell, said: *"Our existing cash balance, together with the additional capital received under the placement to SIG Sports announced earlier today, means the Company is adequately funded to execute its strategy in the near term. Further, as we look to grow our market share and capitalise on the substantive opportunity in North America, the DBEO instrument provides the Company with flexibility to access future capital as needed while ensuring our existing, loyal shareholders who have supported the company, can participate in an equitable way"*.

The offer of DBEOs will be made under, and accompanied by, a Prospectus which has been lodged with ASIC and contains further information in respect of the DBEOs and their issue. A copy of the Prospectus will be sent to eligible shareholders on or around 27 June 2022, will be lodged with ASX, and will be available on the ASX website. Eligible shareholders should read the Prospectus in full.

Eligible shareholders to whom the offer of DBEOs is made under the Prospectus are not obliged to take any action in relation to the issue of the DBEOs. Holders of existing options will not be entitled to participate in the DBEO issue in respect of the existing options that they hold, unless existing options have been validly exercised (and resulting ordinary PointsBet shares are allotted and issued) before the Record Date.

Questions and further information

Any eligible shareholders in Australia and New Zealand or certain other jurisdictions who do not receive a copy of the Prospectus or who have questions regarding the DBEO, should contact the PointsBet Offer Information Line on:

- 1300 620 643 (from within Australia); or
- +61 3 9415 4320 (from outside Australia),

Between 8:30am to 5:00pm, Monday to Friday (Melbourne time).

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Indicative timetable

Event	Date
Lodgement of Prospectus with ASIC and ASX	20 June 2022
Record Date for determining entitlements to DBEOs (7.00pm (Melbourne time))	5 July 2022
Issue date of DBEOs	8 July 2022
Despatch of Holding Statements	12 July 2022

The above timetable is indicative only. The Company reserves the right to amend or vary any of the above dates, in its absolute discretion, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws.

Flagstaff Partners and MST Financial Services Pty Ltd are Financial Advisers to the Company.

Baker McKenzie is Legal Adviser to the Company.

This announcement has been authorised for release by the Board of PointsBet.

-ENDS-

About PointsBet

PointsBet is a corporate bookmaker listed on the Australian Securities Exchange with operations in Australia, the United States, Canada and Ireland. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products, advance deposit wagering on racing (ADW) and iGaming.

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Appendix A

Terms and Conditions of Deferred Bonus Equity Options

1. Entitlement

Each Deferred Bonus Equity Option (**DBEO**) entitles the holder (**Holder**) to subscribe for \$10.00 worth of ordinary shares (**Shares**) in PointsBet Holdings Limited (**Company**) upon exercise in accordance with these terms and conditions.

2. Vesting

Each DBEO will vest on the date which the Company determines to call for the exercise of the DBEOs and gives a notice to the Holder, such notice to be given no later than three months prior to the Expiry Date (**Vesting Date**).

3. Exercise Price and Expiry Date

Each DBEO has an exercise price of \$10.00 (**Exercise Price**) and, subject to term 10, will expire on the date which is two years from the date of issue (**Expiry Date**).

4. Exercise Period

Each DBEO is exercisable within 15 Business Days after the Vesting Date and before the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The DBEOs may be exercised by DBEO holders by the applicable form of notice in writing to the Company (**Exercise Notice**) and payment of the Exercise Price for each DBEO being exercised during the Exercise Period. Any Exercise Notice in respect of a DBEO received by the Company will be deemed to be a notice of the exercise of that DBEO as at the date of receipt.

6. Shares issued on exercise

The number of Shares issued to a holder of DBEOs on exercise of DBEOs held by that DBEO holder will be calculated in accordance with the following formula (rounded down to the nearest whole Share):

$$\text{Number of Shares} = \frac{\text{Aggregate Entitlement}}{\text{Subscription Price}}$$

where:

- **Aggregate Entitlement** means the Exercise Price multiplied by the number of DBEOs exercised by the DBEO holder;
- **Subscription Price** means the VWAP multiplied by 80%; and

- **VWAP** means the arithmetic average of the daily volume weighted average price of trading in Shares on the ASX during the 10 consecutive trading days commencing two business days after the Exercise Period concludes.

Shares issued on exercise of the DBEOs rank equally with the existing Shares.

7. Quotation of Shares on exercise

Application will be made by the Company to ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which its Shares are admitted for quotation) for official quotation of the Shares issued upon the exercise of the DBEOs.

8. No voting or dividend rights

A DBEO does not entitle the Holder to (i) vote on any resolutions proposed by the Company except as otherwise required by law or (ii) participate in any dividends.

9. Timing of the issue of Shares on exercise

Within:

- (a) ten Business Days after the Pricing Period, the Company will allot and issue the Shares pursuant to the exercise of the DBEOs; and
- (b) five Business Days after issuing the Shares, the Company will apply for, and use best endeavours to obtain, official quotation on ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which the Company's shares are admitted for quotation) of Shares issued pursuant to the exercise of the DBEOs,

provided the Holder has, during the Exercise Period, given an Exercise Notice and payment of the Exercise Price for each DBEO being exercised.

10. Change of control

In the event that at any time before the commencement of the Exercise Period:

- (a) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) that has been made in respect of the Company having received acceptances for more than 50% of the Shares on issue and being declared unconditional by the bidder; or
- (b) a scheme of arrangement of the Company under Part 5.1 of the *Corporations Act 2001* (Cth) pursuant to which a person or entity will acquire all of the Shares is (i) approved by shareholders of the Company at a Court convened meeting of its shareholders, by the necessary majorities and (ii) is approved by the Court,

the DBEOs will automatically lapse.

11. Participation in new issues

There are no participation rights or entitlements inherent in the DBEOs and the Holder will not be entitled to participate in new issues of capital offered to shareholders of the Company unless the Holder has exercised the DBEOs before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.

12. No adjustment for bonus issue

If the Company makes a bonus issue of Shares or other securities to existing shareholders of the Company, there will be no adjustment to the Exercise Price or the number of Shares which must be issued on exercise of the DBEOs.

13. No adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing shareholders of the Company, there will be no adjustment to the Exercise Price or the number of Shares over which the DBEOs are exercisable.

14. Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holders of DBEOs may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction

15. DBEOs transferable

The DBEOs are transferable.

None of the DBEOs or the Shares to be issued pursuant to the exercise of the DBEOs have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and, accordingly, the DBEOs and the Shares to be issued pursuant to the exercise of the DBEOs may not be offered, sold, resold, allotted, taken up, exercised, , pledged, delivered or otherwise transferred (as applicable), directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of such person in the United States) except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or any other jurisdiction in the United States.

16. Amendments

These terms and conditions of the DBEOs may only be amended subject to compliance with the ASX Listing Rules (or the rules of the relevant securities exchange on which the Shares are admitted for quotation).