

Target Market Determination

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Legal Disclaimer:

This Target Market Determination (**TMD**) is issued by PointsBet Holdings Limited (ACN 621 179 351) (**PBH** or the **Company**) and is required under section 994B of the *Corporations Act 2001* (Cth) (the **Act**). It has been prepared by the Company in relation to an offer made pursuant to a prospectus dated 20 June 2022 (**Prospectus**) of a non-renounceable pro-rata offer of one (1) unlisted option (**Deferred Bonus Equity Option** or **DBEO**) for every 20.2 ordinary shares (**Shares**) held on the record date of 5 July 2022 (**Bonus Issue**). In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of the Company's design and distribution arrangements in relation to the DBEOs.

A copy of the Prospectus is available on ASX at <https://www2.asx.com.au/>.

Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. There will be no cooling off period in respect of the issue of the DBEOs. This TMD is not a disclosure document for the purposes of the Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not take into account what investors currently have, or what they want and need, for their financial future. It is important for investors to consider these matters and read the Prospectus before they make an investment decision. This TMD is not intended to provide financial advice or take into account investors' objectives, financial situations or needs. The Company is not licensed to provide financial product advice in relation to the DBEOs.

Issuer	PointsBet Holdings Limited (ACN 621 179 351)
Effective Date	20 June 2022
Product Information	<p>The key eligibility requirements and product attributes of the DBEOs are:</p> <ul style="list-style-type: none"> a) the Bonus Issue is a pro-rata and non-renounceable offer to certain eligible shareholders (Eligible Shareholders) of one (1) DBEO for every 20.2 Shares held on the Record Date (rounded down to the nearest DBEO); b) the DBEOs will be issued for nil consideration and only exercisable after a determination by the Board to call for the exercise of the DBEOs; c) each DBEO is exercisable at \$10.00 per DBEO (Exercise Price) and entitles the holder the right, but not the obligation, to acquire \$10.00 worth of Shares at a 20% discount to the 10 trading day VWAP of Shares, commencing two business days following the end of the 15 business day period over which the DBEOs can be exercised (Exercise Period); d) the DBEOs will expire on the date that is two years after the date of issue, expected to be 8 July 2024; e) the record date to determine the entitlements for Eligible Shareholders is 7.00pm (Melbourne time) on 5 July 2022; f) the Company has decided to issue the DBEOs under the Bonus Issue to Eligible Shareholders only; g) the Bonus Issue is non-renounceable, accordingly rights will not be tradeable on ASX but DBEOs will otherwise be transferrable. Shareholders who are not eligible to receive DBEOs will not receive any value in respect of the DBEOs they would have received had they been eligible; and h) a maximum of 15,030,604 DBEOs will be issued under the Bonus Issue.

Target Market	Description of target market
	<p>The Company expects that an investment in DBEOs will be suitable to investors who:</p> <ol style="list-style-type: none">a) have a pre-existing equity position in the Company;b) wish to maintain / increase their exposure to equities in a sports wagering company listed on the Australian Securities Exchange (ASX);c) are prepared to hold an option which may never be exercised and which may be cancelled by the Company at any time; andd) wish to profit from potential gains in the market price of Shares. <p>Particularly, it will be those investors who wish to have the right, but not the obligation, in the medium term (until July 2024) to acquire Shares.</p> <p>Description of product, including key attributes</p> <p>Each DBEO has an exercise price of \$10.00, expires two years from their date of issue and entitles the holder the right, but not the obligation, to acquire \$10.00 worth of Shares at a 20% discount to the arithmetic average of the daily volume weighted average price of trading in Shares on the ASX, which will be calculated over the 10 trading days commencing two business days following the end of the Exercise Period (Pricing Period).</p> <p>The number of Shares issued to a holder of DBEOs on exercise of the DBEOs held by that DBEO holder will be determined in accordance with the following formula (rounded down to the nearest whole Share):</p> $\text{Number of Shares} = \frac{\text{Aggregate Entitlement}}{\text{Subscription Price}}$ <p>where:</p> <ul style="list-style-type: none">• 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. <p>Accordingly, the number of Shares a DBEO holder will receive on exercise of their DBEOs will not be known at the time of exercise, but will only be determined after the conclusion of the Pricing Period.</p> <p>A DBEO not exercised before the expiry date of 8 July 2024 will automatically lapse at that time. The DBEOs will only be exercisable in the 15 trading days after a determination by the Board to call for the exercise of the DBEOs and the giving a notice to all DBEO holders, which may occur at any time not later than three months prior to the expiry of the DBEOs.</p> <p>Shares issued on exercise of the DBEOs will rank equally in all respects with the then issued ordinary shares in the Company.</p> <p>While the DBEOs will not be quoted and tradeable on the Australian Securities Exchange, the DBEOs may be traded through off market transfers in accordance with their terms.</p> <p>A key feature to the DBEOs is that the Subscription Price for each Share issued on exercise of a DBEO will be at a 20% discount to the prevailing market price of Shares at the time of issue of the Shares. It is not dependent on, or referable to, the market price of Shares at the date of the Prospectus.</p>

	<p>Description of likely objectives, financial situation and needs of consumers in the target market</p> <p>The target market of investors will take a medium term outlook on their investment.</p> <p>Investors with a medium-term outlook will benefit from an ability, should the Company call for it, to exercise DBEOs within the term of the DBEOs, acquire shares at a material discount to the prevailing market price of Shares at the relevant time and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price in order to acquire Shares, investors in the target market are in a financial position that is sufficient for them to invest their funds through exercise of the DBEOs over an approximate 2 year time horizon, during which their ability to liquidate their DBEOs may be limited by a lack of liquidity in the DBEOs and by the trading price of Shares. Subject to receipt of all regulatory approvals at the time, the Company intends to facilitate liquidity opportunities for holders of DBEOs at the time it determines to vest the DBEOs, in order for DBEO holders who do not wish to exercise their DBEOs to realise some value for their DBEOs. However, there is no guarantee that a liquidity opportunity will be established or that there will be a liquid market for the DBEOs.</p> <p>Investor suitability metrics</p> <p>While the Company does not have an established eligibility framework for investors based on metrics such as employment status, income levels, age or an expected return or volatility, it is expected that the target market of investors will be those seeking optionality in relation to their investment in the Company.</p> <p>The DBEOs offer no guaranteed income or capital protection.</p> <p>Classes of consumers for whom the product is unsuitable</p> <p>Investors who are not suitable to make investments in relation to the DBEOs include:</p> <ul style="list-style-type: none"> • those investors ineligible to receive the DBEOs; • those seeking a tradeable investment, as the DBEOs will not be quoted for trading on ASX; • those who do not understand the risks of investing in options as an asset class or in Shares; and • investors looking for immediate returns or those not seeking to have the potential to increase their investment in the Company.
<p>Distribution Conditions</p>	<p>The DBEOs are designed to be distributed under the Prospectus to Eligible Shareholders of the Company as at the Record Date only.</p> <p>Investors will be provided with a copy of the Prospectus and access to this TMD before they are issued the DBEOs.</p> <p>The Company considers that these distribution conditions will ensure that persons who invest in DBEOs fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.</p>
<p>Review Triggers</p>	<p>The DBEOs will be offered for a limited offer period set out in the Prospectus, after the conclusion of which the DBEOs will no longer be available for investment. It follows that the TMD will only apply in the period between 20 June 2022 and the issue of the DBEOs after the close of the offer of the DBEOs (Review Period), after which the TMD will be withdrawn.</p>

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	<p>To allow the Issuer to determine whether circumstances exist that indicate this TMD is no longer appropriate and that distribution of the DBEOs should cease, the following review triggers will apply for the Review Period:</p> <ul style="list-style-type: none"> a) there is a material change to the DBEOs' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market; b) the Issuer lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus; c) the occurrence of a significant dealing in DBEOs that is not consistent with this TMD; d) the Issuer identifies a substantial divergence in how the DBEOs are being distributed and purchased from this TMD; e) an unexpectedly high number of complaints are received from customers that indicate the DBEOs are not suitable for the target market or the product is not being distributed to the target market; and f) material changes to the regulatory environment that applies to an investment in the DBEOs. <p>The Issuer may also amend this TMD at any time.</p>
Review Periods	<p>If a review trigger occurs during the Review Period, the Issuer will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.</p> <p>As the offer of DBEOs will only be made to a discrete class of persons and the Company is subject to continuous disclosure requirements, the Company considers it is not necessary or appropriate to implement the requirement of periodic review of this TMD.</p>
Distribution Information Reporting Requirements	<p>As the Company is not appointing external distributors of the DBEOs, the Company will consider any of the following matters on a continuous basis:</p> <ul style="list-style-type: none"> a) complaints received by the Company in relation to the DBEOs; b) significant dealings in the DBEOs which are inconsistent with this TMD; c) any dealings outside the target market (to the extent that the Company is aware of such dealings); and d) the conduct of the Company under this TMD. <p>The Company considers that it is not necessary or appropriate to monitor for significant dealings as the DBEOs will be unlisted. The Company will not be in a position to determine any dealings that occur upon exercise of the DBEOs or on-sale of any resultant Shares, as it has no capacity to identify the objectives, financial situation and needs of investors who exercise the DBEOs or acquire the resultant Shares.</p> <p>Where relevant, the Company will consider any of the above matters and determine appropriate steps that will be taken including, where appropriate, reporting of matters to ASIC.</p>

Contact details in respect of this TMD for the Company are:

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This TMD has been authorised for release by the board of directors of PointsBet Holdings Limited.



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