POINTSBET

PointsBet Holdings Limited
A.B.N. 68 621 179 351

APPENDIX 4E

Final Report for the Year Ended 30 June 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS IN ACCORDANCE WITH AUSTRALIAN ACCOUNTING STANDARDS

	2022 $'000	2021 $'000		
Revenue from ordinary activities	**296,483**	194,658	up	52%
Net loss attributable to members after tax	**(267,689)**	(187,733)	up	43%

	NORMALISED RESULT[1]		STATUTORY RESULT	
	$'000	% MOVEMENT	$'000	% MOVEMENT
Revenue from ordinary activities	296,483	52%	296,483	52%
(Loss) before interest, tax, depreciation and amortisation	(243,580)	56%	(250,000)	54%
Net loss attributable to members after tax	(266,862)	62%	(267,689)	43%

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 Annual Report for details.

DIVIDENDS PAID AND PROPOSED

	AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY AT 30% OF TAX
Ordinary Shares		
2022 Interim (2021: NIL)	NIL	NIL
2022 Final (2021: NIL)	**NIL**	**NIL**

DIVIDEND REINVESTMENT PLAN

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

LOSS PER SHARE

	2022 '000s	2021 '000s
Weighted average number of ordinary shares	**255,424**	193,012
Basic and Diluted (Loss) Per Share (cents)	**(104.8)**	(97.3)

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

APPENDIX 4E continued
for the year ended 30 June 2022

NET TANGIBLE ASSETS PER SHARE

	2022 ’000s	2021 ’000s
Number of shares	**303,618**	207,739
Net tangible assets per share	**1.73**	1.47

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 YEAR

Refer to the commentary on the results for the 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 Annual Financial Report.

ATTACHMENTS

The Annual Financial Report for PointsBet Holdings Limited for the year ended 30 June 2022 has been attached.

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.

For further information please contact:

For investors

Andrew Mellor
Group Chief Financial Officer
andrew.mellor@pointsbet.com

For media

Max Hewett
+61 432 332 215
MHewett@gracosway.com.au

For North American investors

Stephen Forman
Investor Relations – North America
stephen.forman@pointsbet.com

For North American media

Patrick Sandusky
SVP PR and Communications
patrick.sandusky@pointsbet.com

POINTSBET

ANNUAL REPORT 2022

2022 ANNUAL GENERAL MEETING

The 2022 Annual General Meeting will be held on Tuesday, 20 October 2022, unless otherwise notified. Details of the business of the meeting will be contained in the notice of Annual General Meeting, to be sent to shareholders separately.

2022 ANNUAL REPORT

This 2022 PointsBet Holdings Limited Annual Report for the financial year ended 30 June 2022 complies with reporting requirements and contains statutory financial statements. This document is not a concise report prepared under section 314(2) of the Corporations Act. The PointsBet Group has not prepared a concise report for the 2022 financial year.

KEY DATES*

20 OCTOBER 2022
2022 Annual General Meeting

28 FEBRUARY 2023
2023 Interim Results Announcement
(6 months ending 31 December 2022)

31 AUGUST 2023
Full Year Results Announcement
(12 months ending 30 June 2023)

* Dates subject to change

COMPANY PROFILE

PointsBet is a licensed corporate bookmaker with operations in Australia, the United States and Canada and Ireland. 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, PointsBetting, iGaming and advance deposit wagering on racing (ADW).

For further information visit the Group's investors website at www.investors.pointsbet.com.au.

CONTENTS

OPERATIONAL HIGHLIGHTS

513,182

Group Cash Active Clients[1]

$309.4M

Group Net Win FY22[2]

627

Number of Global FTE[4]

+48%

Year on Year Group Net Win growth

1. Client across all verticals that have placed a cash bet in the 12 months preceding the relevant period end date.
2. 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).
3. Turnover is the dollar amount wagered by clients before any winnings are paid out or losses incurred.
4. Global FTE does not include FTE of third party service companies.

$5,006.3M

Group Sports Betting Turnover FY22[3]

Australian Trading Business:
EBITDA POSITIVE

+41%

Year on Year Group Gross Win Growth

In North America operational in **TEN US STATES** and **ONTARIO, CANADA**

CHAIRMAN'S AND CEO'S LETTER

Dear Shareholders,

It has been another successful year for PointsBet.

During the year, the Company continued to capitalise on its expanding US presence by scaling its operations through key hires across all departments, as well as rolling out sports betting operations in four new US states (West Virginia, Virginia, New York and Pennsylvania), and iGaming operations in the states of New Jersey, West Virginia and Pennsylvania, together with sports betting and iGaming operations in Ontario, Canada.

We currently have live online sportsbook operations in 10 US states plus Ontario, Canada and are live with iGaming in 4 states plus Ontario, Canada.

The US business saw sports betting Gross Win growth of 66% to $158.7 million, with sports betting Net Win also increasing by 81% to $74.1 million. US iGaming New Win grew 1,247% to $19.7 million. For the 12 months to 30 June 2022, the US business had 266,882 Cash Active Clients, a 67% increase compared to the 12 months to 30 June 2021.

In Australia, the Company achieved year-on-year Net Revenue growth of 30%, with the Australian Trading business achieving its third year of annual EBITDA positivity of $7.7 million. This strong performance demonstrates PointsBet's capability to disrupt and grow market share in an advanced market where we compete successfully against global groups such as Flutter, Entain and Bet365. For the 12 months to 30 June 2022, the Australian Trading business had 239,121 Cash Active Clients, a 22% increase compared to the 12 months to 30 June 2021.

Following the completion of the successful capital raise in August 2021 (raising $400 million) and the strategic placement of $94.2 million to SIG Sports Investments Corp in June 2022, the Company is adequately funded to execute our strategy in the near term, with a corporate cash balance at 30 June 2022 of $472.7 million.

Further, as we look to capitalize on the substantive opportunity in North America, the Deferred Bonus Equity Option instrument announced in June 2022 also provides the Company with the flexibility to access additional capital of $149.9 million as needed.

STRATEGIC INVESTMENT AND CONTINUED FOCUS ON IN-PLAY

In June 2022 we welcomed a $94.2 million strategic investment from SIG Sports Investments Corp., a member of the Susquehanna International Group of Companies. Privately owned Susquehanna, which was co-founded by Jeff Yass in 1987, is headquartered in Pennsylvania, USA and is one of the largest proprietary financial trading firms in the world, with additional business verticals encompassing derivatives market making, institutional brokerage, private equity, sports analytics and structured capital.

In SIG Sports we have found a strategic long-term partner who believes in PointsBet' ability to continue to grow and compete in the North American sports betting market. Susquehanna has both the analytical capability and the capital to help PointsBet realize this potential.

We also announced that PointsBet's European technology subsidiary entered into an agreement with Nellie Analytics Limited, a member of the SIG Sports Group based in Dublin. Nellie has built cutting-edge quantitative models and technology to trade and make markets for sports betting using trading acumen, advanced statistical forecasting models, and quantitative research. These models and technology currently allow Nellie to trade successfully on sports betting exchanges around the world.

The work Nellie Analytics have been doing over the last four years as a proprietary sports betting house is very impressive and, based on our engagement to date, these skills will enhance our strategy to deliver the best in-play betting experience in North America.

Our primary focus has been to continuously strive to deliver a quality betting experience to our customers by developing products that deliver increased betting options and enhanced fundamentals such as faster bet placement, fewer suspensions and more cash out options. Nellie brings a new dimension to our proposition through sharper pricing which will ultimately translate into a better customer experience. With more confidence in our pricing, we can give customers differentiation and value on price, take bigger bets via increased wagering limits, while maintaining an efficient and profitable business model.

POINTSBET BRAND

This month reflected the completion of the second full year of our 5-year Official Sports Betting Partnership with NBC Sports. NBC has proven to be the ideal partner for PointsBet as the Company executes on its US media, brand, customer acquisition and retention strategy. NBCUniversal's network reaches approximately 93% of all US adults, with their digital platforms having over 60 million monthly active users.

Over the course of the year, the Company has also continued to grow brand recognition through execution of exclusive and strategic partnerships.

In the US, the Company was selected as an Approved Sportsbook Operator of the NFL and also announced that NFL all-time great and future Hall of Famer Drew Brees officially joined the team as a brand ambassador.

> IT IS CLEAR THAT NORTH AMERICA WILL DELIVER THE VAST MAJORITY OF REGULATED GLOBAL GAMING GROWTH OVER THE NEXT DECADE. WE HAVE **ESTABLISHED OURSELVES AS A GLOBAL GAMING OPERATOR** WHICH HAS BUILT INCUMBENCY IN BOTH NORTH AMERICA AND AUSTRALIA.

BRETT PATON, CHAIRMAN

In Canada, the build-up brand awareness prior to launch with strategic partnerships with Curling Canada, the Maple Leaf Sports & Entertainment Group, the Ottawa Sports & Entertainment Group, the NHL Alumni Association and most recently ClubLink, Canada's largest operator of premium golf clubs with ~40 courses across Ontario.

In Australia, the Company continued to be the exclusive Victorian odds integration partner for the Autumn and Spring Carnival National Horse Racing coverage and in June 2022, extended its brand ambassador agreement with professional basketball champion and three-time Finals MVP, Shaquille O'Neal.

WELL-POSITIONED FOR GROWTH IN FY23

It is clear that North America will deliver the vast majority of regulated global gaming growth over the next decade. We have established ourselves as a global gaming operator which has built incumbency in both North America and Australia. We have now scaled our team, to access the in-house technology and market access to successfully compete in North America and have developed best in class partnerships with NBC, SIG Sports, Nellie Analytics and Maple Leaf Sports and Entertainment in Canada, which will help accelerate our trajectory to take advantage of this enormous opportunity

We would like to thank our fellow Directors and global staff for their support over a very busy past 12 months as we continued the Company's rapid growth.

We would like to thank you, our shareholders, for your support and vote of confidence in the business and its team. We look forward to delivering on the opportunities we see for the business moving forward and growing shareholder value.

Yours sincerely,

Brett Paton
Chairman

Sam Swanell
Managing Director and Group CEO

BOARD OF DIRECTORS

BWF PATON

Non-Executive Chairman (appointed Director in November, 2018)

B Ec Monash University, Chartered Accountant

Member of the Remuneration and Nomination Committee

Member of the Audit, Risk and Compliance Committee

Mr Paton entered the finance industry in 1980 as a Chartered Accountant and after 23 years at UBS, retired from his role in 2008 as Vice Chairman, having run the UBS Equity Capital Markets business for 14 years.

Following this he was Vice Chairman of the Institutional Clients Group for Australia and New Zealand at Citigroup Inc for five years.

Over his years at UBS and Citigroup, Mr Paton's respective teams assisted and advised companies, governments and government agencies on capital raisings totalling approximately $230 billion of equity.

Having served as a Non-Executive Director of Tabcorp and Chair of Audit and Risk for its demerged entity, Echo Entertainment, he has gained significant experience and valuable insights into the functions expected of ASX boards and companies in the Wagering Industry. Mr Paton has also served as a Council member of RMIT University where he chaired the Risk and Audit Committee and was also a foundation member of the ASX Capital Markets Advisory Panel.

SJ SWANELL

Co-Founder, Managing Director and Group Chief Executive Officer (appointed Director in March, 2015)

B Com Monash University

Mr Swanell has substantial expertise and experience in the Wagering Industry including successfully managing the start-up of both tomwaterhouse.com and PointsBet.

For three years he was National Sales Manager with TOTE Tasmania responsible for all revenue channels including all retail and pub outlets. During his tenure, turnover and EBITDA increased 200%. This was followed by four years as Chief Operations Officer at tomwaterhouse.com, which involved responsibility for establishing and managing all functions of the business. tomwaterhouse.com grew rapidly to become a pre-eminent wagering brand in Australia until its sale to William Hill. Mr Swanell's experience also includes international consulting assignments across North America and Europe and related verticals such as online casino and poker.

Mr Swanell has a deep understanding of the critical areas required to produce and manage a successful Sportsbook, which has been instrumental in the establishment and growth of PointsBet.

BK HARRIS

Independent Non-Executive Director (appointed to the Board in November, 2019)

LLM, Gaming Law and Regulation UNLV William S. Boyd School of Law

Member, Audit, Risk and Compliance Committee

Member, Remuneration and Nomination Committee

Mrs Harris is the former Chairwoman of the Nevada Gaming Control Board (NGCB) and a former Nevada State Senator. Representing Nevada's Ninth District, Mrs Harris Chaired the Senate Education Committee and was a member of the Senate Judiciary, Finance, Education, and Commerce, Labor & Energy Committees. Mrs Harris is also a former member of the National Council of Legislators from Gaming States (NCGLS), an association of lawmakers from across the United States, and formerly chaired the Responsible Gaming Committee and served as Treasurer. Mrs Harris is currently a Distinguished Fellow, Gaming & Leadership at the University of Nevada, Las Vegas International Gaming Institute (IGI), with an emphasis on the study of sports betting. The IGI works with regulators and other stakeholders worldwide to ensure they have the latest information, knowledge, and tools they need to analyse and improve gaming policies and regulation in their jurisdictions. Mrs Harris received her LL.M. in Gaming Law and Regulation from the UNLV William S. Boyd School of Law.

AP SYMONS

Independent Non-Executive Director (appointed Director in September, 2016)

B Com B Law University of Melbourne, Lawyer

Chair of the Remuneration and Nomination Committee

Member of the Audit, Risk and Compliance Committee

Mr Symons has over 20 years' experience in corporate law and mergers and acquisitions, including four years with a global firm in Hong Kong.

Mr Symons is a Partner of Mills Oakley, and specialises in mergers and acquisitions and equity capital markets. His extensive experience spans a wide range of corporate transactions involving large foreign listed companies, private equity funds, Australian listed companies, large private companies and family offices across a range of industries. He regularly advises on and coordinates complex transactions, often across multiple jurisdictions, and is consistently recognised in peer review based industry publications as a leading M&A lawyer in Australia.

PD McCLUSKEY

Independent Non-Executive Director (appointed to the Board in November, 2017)

B Bus Swinburne University, Chartered Accountant

Chair of the Audit, Risk and Compliance Committee

Member of the Remuneration and Nomination Committee

Mr McCluskey has been an insolvency and corporate reconstruction professional for 33 years. He has strong relationships within the Australian and international finance sectors. He has managed the conflicting agendas of diverse parties in large banking syndicates in some of the biggest restructuring assignments in Australia. He is currently a Special Advisor, Restructuring services at KPMG.

He was Managing Partner at Ferrier Hodgson's Melbourne office for 12 years. During his tenure at Ferrier Hodgson, Mr McCluskey had exposure to a broad range of industries due to his engagement and oversight of several corporate restructuring and insolvency projects and is recognised for his ability to manage and resolve complex matters.

KM GADA

Independent Non-Executive Director (appointed to the Board in May, 2021)

MBA, University of Chicago's Booth School of Business and B.S. in Computer Science magna cum laude, The Ohio State University

Member of the Audit, Risk and Compliance Committee

Ms Gada is a seasoned executive with expertise at the nexus of media, technology and digital business models.

She is currently the CEO and Managing Director of Recastled LLC, a media & tech incubator and advisory firm. Prior to Recastled, Kosha was Corporate Executive Director of Strategy at the Comcast Corporation. Ms Gada was previously a Principal at Kearney, advising senior executives at premier global corporations on strategic and operating objectives.

Kosha is a regular contributor on business/news networks (including Sky News, CNBC and BNN Bloomberg) and publications (including Forbes and TechCrunch) as well as a keynote speaker at industry symposiums focusing on media and technology analysis.

MG SINGH

Executive Director and President, Technology and Product (appointed Director in November, 2020) Non-Executive director from 1 July 2022

Master of Technology (Computer Science), University of Hyderabad

Mr Singh was appointed as the Company's President, Technology and Product on 29 July 2019. He is the former Chief Technology Officer and Executive Vice President of leading global gaming technologies provider Aristocrat Leisure Limited (ASX:ALL), and an industry veteran with a track record in delivering leading product and technology strategy for mobile, social and traditional casino gaming products.

Mr Singh has a broad background in technology, with experience in gaming, cybersecurity, mobile and cloud technologies and global engineering management.

Mr Singh is a published author and speaker on modern technology trends and has previously held senior leadership roles at International Gaming Technology (IGT), Juniper Networks and Sun Microsystems.

In recent years, Mr Singh founded, DruvStar, a cybersecurity company, and has helped several gaming and modern technology businesses as an advisor.

DIRECTORS' REPORT
for the 12 months ended 30 June 2022

The Directors present their report together with the financial statements of the Company and its subsidiaries (the Group) for the 12 months ended 30 June 2022 (the financial year). The information in this report is current as at 31 August 2022 unless otherwise specified.

This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the Corporations Act 2001 (Cth) (the Act).

REVIEW AND RESULTS OF OPERATIONS

A review of the operations of the Group for the financial year is set out in the Operating and Financial Review which forms part of this Directors' Report.

FINANCIAL RESULTS

The reported result of the Group attributable to shareholders for the 12 months ended 30 June 2022 was a loss of $267.7 million after providing for income tax (2021: loss of $187.7 million after providing for income tax). Further details regarding the financial results of the Group are set out in the Operating and Financial Review and Financial Statements.

DIVIDENDS

No dividends have been declared during the financial year (2021: $0).

Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to the Company's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

REMUNERATION REPORT

Details of the remuneration policies in respect of the Group's Key Management Personnel are detailed in the Remuneration Report which forms part of this Directors' Report.

DIRECTORS' PARTICULARS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

The Directors of the Company throughout the financial year and up to the date of this report are:

CURRENT DIRECTORS

DIRECTOR	EXPERIENCE AND OTHER DIRECTORSHIPS	SPECIAL RESPONSIBILITIES
BWF Paton *B Ec* *Chartered Accountant*	Appointed Director in November, 2018 • Chair, management company of Escala Partners • Former Vice Chairman, UBS Equity Capital Markets • Former Vice Chairman, Institutional Clients Group ANZ, Citigroup • Former Director Tabcorp Holdings Limited	Non-Executive Chairman Member of each Board Committee
SJ Swanell *B Com*	Appointed Director in March, 2015 • Former National Sales Manager, TOTE Tasmania • Former Chief Operations Officer, tomwaterhouse.com	Co-Founder, Managing Director and Group Chief Executive Officer
AP Symons *B Com B Law*	Appointed Director in September, 2016 • Founder and Managing Director, Clarendon Lawyers • Director, Connected Communities Melbourne • Partner, Mills Oakley	Chair, Remuneration and Nomination Committee Member, Audit, Risk and Compliance Committee
PD McCluskey *B Bus* *Chartered Accountant*	Appointed Director in November, 2017 • Special Adviser, Restructuring Services, KPMG • Former, Managing Partner, Ferrier Hodgson Melbourne	Chair, Audit, Risk and Compliance Committee Member, Remuneration and Nomination Committee
BK Harris *LLM, Gaming Law and Regulations*	Appointed Director in November, 2019 • Distinguished Fellow, Gaming & Leadership, University of Nevada • Former Nevada State Senator • Former Chairwoman, Nevada Gaming Control Board	Member, Audit, Risk and Compliance Committee Member, Remuneration and Nomination Committee

CURRENT DIRECTORS

DIRECTOR	EXPERIENCE AND OTHER DIRECTORSHIPS	SPECIAL RESPONSIBILITIES
M Gombra-Singh *Master of Technology (Computer Science)*	Appointed Director in November, 2020 • Former Chief Technology Officer and Executive Vice President, Aristocrat Leisure Limited • Former, Senior Executive, IGT Juniper Networks and Sun Microsystems.	Non-Executive Director (from 1 July 2022) President, Technology and Product, Executive Director (until 30 June 2022)
KM Gada *MBA* *B.S. Computer Science*	Appointed Director in May, 2021 • CEO and Managing Director of Recastled LLC • Former Corporate Executive Director (Strategy), Comcast Corporation • Former Principal, Kearney	Member, Audit, Risk and Compliance Committee

Details about the Director's interests in the Company are set out in the Remuneration Report which forms part of this Directors Report.

DIRECTOR INDEPENDENCE

The Company's Board Charter sets out guidelines and thresholds of materiality to assist in considering the independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that Peter McCluskey, Tony Symons, Becky Harris and Kosha Gada are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment and are able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Brett Paton, Sam Swanell and Manjit Gombra-Singh are not currently considered by the Board to be independent Directors given:

- in the case of Sam Swanell, his executive position; and
- in the case of Manjit Gombra-Singh, having held an executive position with the Company within the last three years
- in the case of Brett Paton, his ownership interest in the Company.

The Board considers that each Director will add significant value given their considerable skills and experience and will bring objective and independent judgement to the Board.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

The attendance of members of the Board at Board meetings and attendance of members of committees at committee meetings of which they are voting members is set out below.

MEETINGS ATTENDED/HELD

DIRECTOR	BOARD[1]
BWF Paton	13/13
SJ Swanell	13/13
AP Symons	13/13
PD McCluskey	13/13
BK Harris	13/13
M Gombra-Singh	13/13
KM Gada	13/13

1. Meetings of the Audit, Risk and Compliance Committee and the Remuneration and Nominations Committee were held contemporaneously with Board meetings as required.

COMPANY SECRETARY

The Company Secretary is directly accountable to the Board, through the Chairman, for all governance matters that relate to the Board's proper functioning. During the financial year, the Group had the following Company Secretaries:

AJ Hensher

BA/LLB (Hons)

AJ Hensher joined the Company in January 2019 and was appointed as Company Secretary on 30 January 2019. Before joining the Company, Mr Hensher was Head of Legal and Regulatory Affairs at William Hill Australia and prior to that the GM, Company Secretarial and Corporate Counsel and Aristocrat Leisure Limited.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year was the offering of innovative sports and racing betting products and services and iGaming products and services direct to clients via its scalable cloud-based technology platform.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the group during the financial year were as follows.

The Group raised $215.1 million from a Placement and Institutional Entitlement Offer on 30 July 2021.

The Group raised $81.0 million from an Institutional Entitlement Offer on 3 August 2021.

The Group raised in total $103.9 million from a Retail Entitlement Offer and Shortfall Bookbuild on 26 August 2021.

The Group raised $94.2 million from a placement to SIG Sports Investments Corp on 24 June 2022.

The Group raised $35.4 million from the exercise of share options during the Reporting Period.

Except as outlined above and elsewhere in this Directors' Report, there were no significant changes in the state of affairs of the Group during the financial year.

EVENTS AFTER BALANCE DATE

Other than set out above, in the interval between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial reporting periods.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2022, 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company. However, the Group believes there is significant scope to increase revenue and profitability from its business strategy over the long term.

OPTIONS OVER SHARE CAPITAL

As at the date of this report there were 90,166,528 ordinary shares under option.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Group or any related body corporate.

Details of the Company's Employee Share Option Plan are disclosed in Note 23 to the financial statements.

INDEMNITIES AND INSURANCE PREMIUMS

The Company's Constitution provides that the Company will indemnify each officer of the Company against any liability incurred by that officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties to the extent permitted by law.

An officer for the purpose of this provision includes any Director or Secretary of the Company or the Company's subsidiaries, executive officers or employees of the Company or its subsidiaries and any person appointed as a trustee by, or acting as a trustee at the request of, the Company, and includes former Directors.

In accordance with the Company's Constitution, the Company has entered into deeds of access, indemnity and insurance and deeds of indemnity for identity theft with each Director and nominated officers of the Company. No amount has been paid pursuant to those indemnities during the financial year to the date of this Directors' Report.

The Company has paid a premium in respect of a contract insuring officers of the Company and its related bodies corporate against any liability incurred by them arising out of the conduct of the business of the Company or in or arising out of the discharge of their duties. In accordance with normal commercial practices, under the terms of the insurance contracts, the details of the nature and extent of the liabilities insured against and the amount of premiums paid are confidential.

ENVIRONMENTAL REGULATION AND SUSTAINABILITY

The Group endeavours to operate our business in ways that produce social, economic and environmental benefits for the Communities we serve in Australia and the United States.

The Directors understand that long term future success depends upon continuously improving our reputation and enhancing employee morale. We pay attention to the expectations of our employees and stakeholders, while respecting and serving our communities as best we can.

The Group has a small environmental footprint and, as such, our largest impacts come from our travel, energy and consumables. We take steps to improve our environmental impact.

There are no matters that the Directors consider need to be included in this report. The Group is not subject to the reporting requirements of either the Energy Efficiency Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company under section 236 of the Act nor has any application been made in respect of the Company under section 237 of the Act.

AUDITOR

RSM Australia continues in office in accordance with section 327 of the Act.

NON-AUDIT SERVICES PROVIDED BY THE AUDITOR

The Company, with the prior approval of the Chair of the Audit, Risk and Compliance Committee, may decide to employ RSM Australia Partners, the Company's auditor, on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Company has a Charter which specifies those non-audit services which cannot be performed by the Company auditor. The Charter also sets out the procedures which are required to be followed prior to the engagement of the Company's auditor for any non-audit related service. Details of the amounts paid or payable to the Company's auditor, for audit and non-audit services provided during the financial year, are set out in Note 26 to the Financial Statements.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services as set out in Note 26(a)(ii) to the financial statements is compatible with the general standard of independence for auditors imposed by the Act for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration is attached to this Directors' Report.

LOANS TO DIRECTORS AND EXECUTIVES

No Director or KMP held any loans with the Company during the financial year.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 as issued by the Australian Securities and Investments Commission. Amounts in the Director's Report and the Financial Statements have been rounded to the nearest whole number of million dollars and one decimal place representing hundreds of thousands of dollars, or to the nearest thousandth or in certain cases, the nearest dollar in accordance with that class order.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

Brett Paton

Brett Paton
Chairman

31 August 2022

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

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 audit of the financial report of PointsBet Holdings Limited for the year ended 30 June 2022 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 31 August 2022
Melbourne, Victoria

REMUNERATION REPORT

This Remuneration Report for the 12 months ended 30 June 2022 (Reporting Period) forms part of the Directors' Report and has been audited as required by section 308(3C) of the Corporations Act 2001 (Cth) (the Act).

SECTION 1. MAINTAINING SUSTAINABLE PERFORMANCE

The Company's philosophy on remuneration is that Key Management Personnel (KMP) remuneration should be aligned with shareholder interests by providing levels of fixed remuneration and "at risk" pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy. It aims to achieve this by ensuring "at risk" remuneration is contingent on outcomes that grow and/or protect shareholder value and by aligning the interests of Senior Executives and shareholders by ensuring a suitable proportion of remuneration is received as a share-based payment.

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate of the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits.

The Company's existing employee share option plan (ESOP) was established before the Company was admitted to the official list of ASX (terms of which were disclosed in its replacement prospectus dated 23 May 2019), which offered the opportunity for eligible employees and non-executive Directors to subscribe for Options.

Following the expansion into the United States, where an increasing number of its senior leadership team is based, the Board considered remuneration practices in Australia and the United States and identified some meaningful differences, primarily in the design of long-term incentive programs.

The Board concluded that it would be appropriate to consider taking a balanced approach to these differences in a way that considers the norms of both countries and results in a market-competitive long term incentive plan as a key component of a market competitive executive remuneration approach.

The Board determined that the award of performance share rights (PSRs) with the award linked to satisfactory performance and continuation of employment will provide the necessary motivation for key executives in Australia and the US to invest energies and commitment over time to create shareholder value.

As such the Company established the Key Employee Equity Plan (KEEP), which was approved by Shareholders at the Annual General Meeting on 17 November 2020. Further details about KEEP are set out in Section 4.3 of this Report.

The Remuneration and Nomination Committee recommends to the Board the remuneration packages for the Senior Executive team. It is intended that these will be reviewed annually. The Remuneration and Nomination Committee may seek external advice to determine the appropriate level and structure of the remuneration packages.

ADJUSTMENTS TO KMP REMUNERATION FOR FY23

The Remuneration and Nominations Committee values shareholder feedback when forming the Remuneration Policy. There are established processes in place whereby our management and our investor relations team meet periodically with investors and shareholders either at their request or at industry events to discuss and gather feedback, which is formally presented to the Committee and Board for ongoing evaluation of the Company's strategy and governance practices, including remuneration practices.

Following engagement and feedback from shareholders and governance advisors, the Company has established a new long term incentive program (LTI) structure, effective 1 July 2022, for the Group CEO and his direct reports (Executives).

Under the LTI Plan, annual grants of PSRs are made to Executives to align remuneration outcomes with the creation of sustainable shareholder value over the long term.

The Company's senior leadership is becoming more US based, and the business must increasingly attract and retain leaders in the US and other markets with technology and global management skillsets. US market practice (in particular) places a greater emphasis on time based at-risk opportunity, and significant equity grants are more commonly used for talent attraction and retention.

The continued expansion of the Company's business in the United States reinforces the need for the Company's remuneration structures to evolve and take into account global pay philosophies, particularly those in the technology and gaming industry.

The growth of competition in online sports betting and iGaming in North America has rapidly increased over the last 12 months, with over 45 legal online sportsbooks in operation in the United States. PointsBet staff (at all levels, and in particular senior staff) are increasingly being targeted by competitors who are offering attractive salary and equity incentive packages to entice them to move. The next 12 to 36 months will be critical for the success of PointsBet and, as such, the Company's equity incentive plan has been structured to balance the need to retain key staff in the short term, while also aligning with the interests of shareholders over the longer term and the appropriate use of the Company's cash.

Utilising the existing KEEP Rules, under the new LTI plan structure, the number of PSRs to be granted to an Executive will be determined by dividing the Executive's LTI Opportunity by the face value of PointsBet's shares and rounding to the nearest whole figure. In determining the 'LTI Opportunity', the Board will take into account the nature of the position, the context of the current market, the function and purpose of the long-term component and other relevant information.

Three vesting conditions will apply to LTI grants made during FY2023:

- Condition 1 – Relative Shareholder Return (RSR)
- Condition 2 – Path to Profitability (P2P)
- Condition 3 – Service Based

YEAR 1

1 July 2023 - one third of total PSRs are capable of vesting as follows:

- 50% based on Performance Condition 1
- 50% based on Performance Condition 2

YEAR 2

1 July 2024 - one third of total PSRs are capable of vesting as follows:

- 33.33% based on Performance Condition 1
- 33.33% based on Performance Condition 2
- 33.33% based on Performance Condition 3

YEAR 3

1 July 2025 - one third of total PSRs are capable of vesting as follows:

- 25% based on Performance Condition 1
- 25% based on Performance Condition 2
- 50% based on Performance Condition 3

PERFORMANCE CONDITION 1 – RELATIVE SHAREHOLDER RETURN (RSR)

RSR performance is assessed at the end of each year of the three-year period, which will commence at the start of the financial year during which the PSRs are granted. For PSRs to vest pursuant to the RSR vesting condition, PointsBet's compound shareholder return measured based on the movement in share price at the end of each year of the performance period (with 60-day smoothing) must be equal to or greater than the median ranking of constituents of a Peer Comparator Group. The percentage of PSRs that may vest is determined based on the following vesting schedule:

PBH SHAREHOLDER RETURN RANKING RELATIVE TO PEER COMPARATOR GROUP	PSRS SUBJECT TO RELATIVE SHAREHOLDER RETURN VESTING CONDITION THAT VESTS (%)
Below the median ranking	0%
At the median ranking	50%
Above the median ranking but below the 75th percentile	Between 50% and 100% increasing on a straight-line basis
At or above the 75th percentile	100%

Where a the RSR vesting condition is not met or is partially met at the end of year one (i.e. PBH Shareholder Return is below the 75th percentile after 12 months) or year two (i.e. the compound PBH Shareholder Return is below the 75th percentile after 24 months) of the performance period, those PSRs which have not vested will remain on foot and will be capable of vesting based on the three year compound Shareholder Return at the end of year three performance period.

The Board may adjust the RSR vesting conditions to ensure that an Executive is neither advantaged nor disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. The Board may also exercise its discretion to ensure that the Shareholder Return vesting conditions are adjusted to reflect sustainable growth outcomes aligned to the interests of shareholders.

Further details will be provided in the 2022 Notice of Annual General Meeting.

PERFORMANCE CONDITION 2 – PATH TO PROFITABILITY (P2P)

The P2P condition focuses on the path to profitability. As a growth company, it is accepted that PointsBet will need to invest in the present for success in the future. However, the path (or speed) to profitability, in particular in the Unites States is a key focus for management.

One of the key drivers for profitability, and an area which investors and analysts focus, is marketing expense as a percentage of revenue. The P2P condition measures the reduction in marketing expense as a percentage of revenue compared to FY22, based on those states/ jurisdictions which were live for more than 12 months during the relevant vesting period.

P2P performance is assessed at the end of each year of the three-year period which will commence at the start of the financial year during which the PSRs are granted. For PSRs to vest pursuant to the P2P vesting condition, the reduction in PointsBet's marketing expense as a percentage of revenue compared to FY22 must be equal to or greater than the targets set by the Board. Given the sensitive nature of these targets, the P2P targets set by the Board for the performance period will be disclosed in the Remuneration Report published in respect of year in which the P2P Condition is tested.

Where a the P2P vesting condition is not met or is partially met at the end of year one (i.e. percentage point decrease is less than the set target after 12 months) or year two (i.e. percentage point decrease is less than the target after 24 months) of the performance period, those PSRs which have not vested will remain on foot and will be capable of vesting based on the three year percentage point reduction at the end of year three performance period.

The Board may adjust the P2P vesting conditions to ensure that an Executive is neither advantaged nor disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. The Board may also exercise its discretion to ensure that the P2P vesting conditions are adjusted to reflect sustainable growth outcomes aligned to the interests of shareholders.

SECTION 2. REMUNERATION REPORT OVERVIEW

This Remuneration Report has been prepared in accordance with section 300A of the Corporations Act 2001 (Cth) (the Act) for PointsBet Holdings Limited and its controlled entities (Group) for the year ended 30 June 2022.

This Report covers KMP of the Group, who are responsible for determining and executing the Group's strategy.

TABLE 1. NON-EXECUTIVE DIRECTORS AND EXECUTIVE KMP

KMP	POSITION	TERM AS KMP
Non-Executive Director		
BWF Paton	Chair; Director	Full financial year
AP Symons	Director	Full financial year
PD McCluskey	Director	Full financial year
BK Harris	Director	Full financial year
KM Gada	Director	Full financial year
Executive Director		
SJ Swanell	Group CEO and Managing Director	Full financial year
M Gombra-Singh[1]	President, Technology and Product and Executive Director	Full financial year
Other KMP		
AJ Mellor	Group Chief Financial Officer	Full financial year
AJ Hensher	Group General Counsel and Company Secretary	Full financial year

1. On 1 July 2022 M Gombra-Singh transitioned from his executive role as President, Technology and Product and Executive Director to a Non-Executive Director. M Gombra-Singh maintained his Executive remuneration arrangements until 30 June 2022.

SECTION 3. SENIOR EXECUTIVE REMUNERATION PHILOSOPHY AND FRAMEWORK

3.1 CORE PRINCIPLES

The following three core principles guide the Group's Senior Executive remuneration strategy and 'pay for performance' framework:

1. ALIGNMENT TO SHAREHOLDER INTERESTS AND VALUE CREATION

Provide a common interest between Senior Executives and shareholders by aligning the rewards that accrue to management to PointsBet's performance.

2. MARKET COMPETITIVE

Be competitive in the markets in which PointsBet operates to attract, motivate and retain high calibre people. As the Company grows its footprint in the United States, the business must increasingly attract and retain leaders in the US market with technology and global management skills sets that is increasingly requiring an evolution in PointsBet's approach to remuneration.

3. PERFORMANCE-BASED

Support the short, medium and long-term financial targets and business strategies of the Group as set out in the strategic business plans endorsed by the Board.

TABLE 2. ELEMENTS OF EXECUTIVE KMP REMUNERATION

ELEMENT	FIXED REMUNERATION	AT RISK STI	AT RISK LTI
What does this component include?	Base salary, superannuation and other benefits (such as relocation allowances).	Reward for strong individual and Group performance during the year.	Reward for longer-term Group performance during a three-year performance period.
What does payment depend on?	The skills, performance, experience and role of each individual. The Group has implemented moderate fixed remuneration relative to market capitalisation in favour of higher at-risk components.	Achievement of financial and non-financial key performance indicators (KPIs).	Achievement of financial and non-financial performance conditions.
How is this component delivered?	Cash.	Cash.	Typically, performance share rights (PSRs) vesting in two and three-year tranches under KEEP.
What is the purpose of this remuneration component?	Providing ongoing remuneration in recognition of day-to-day accountabilities.	Motivate and reward excellent performance in the shorter term.	Historically one-off grants (options) and annual grants (PSRs) designed to attract executive talent into the organisation, motivate and reward excellent performance in the long term and provide a retention element whilst aligning with shareholder outcomes through the award of equity.

SECTION 4. SENIOR EXECUTIVE REMUNERATION IN THE REPORTING PERIOD

4.1 FIXED REMUNERATION

All Senior Executives receive fixed remuneration which includes cash and compulsory superannuation (for Australian-based Senior Executives). As appropriate, KMP receive additional support including accommodation allowances and travel. KMP do not receive retirement benefits beyond superannuation.

When determining the level of fixed remuneration for each role, the Group considers the remuneration levels offered at organisations from which it sources talent and to whom it could potentially lose talent. Typically, fixed remuneration for the Group's KMP is lower than the average of larger ASX listed companies given the focus on variable 'at-risk' remuneration.

PURPOSE AND LINK TO STRATEGY

To pay a fixed remuneration that (1) reflects the role, responsibilities, experience and knowledge of the individual; (2) is competitive with other employers with whom the Company competes for talent, including companies in our industry, other complex industries, companies of comparable size, and in the geographies in which the Company operates; and (3) allows the Company to attract and retain appropriate Executives to support the long-term interests of the Company.

4.2 EXECUTIVE STI AWARDS GRATED DURING THE REPORTING PERIOD

The table below outlines the key terms and conditions applying to Senior Executive STI arrangements for KMP during the Reporting Period.

TABLE 3. DESCRIPTION OF EXECUTIVE STI IN THE REPORTING PERIOD

Purpose and Link to Strategy	To align a component of remuneration with the achievement of Company performance measured against predetermined annual financial and strategic objectives.
Overview of STI During the Reporting Period	STI arrangements are an at-risk component of executive remuneration involving the payment of a cash award if vesting conditions are met, including satisfaction of performance conditions.
Performance Period	STI awards are measures over the 12-month financial year. Any STI award payments are made after performance is tested at the end of the performance period.
Performance Conditions	Payment of cash bonuses is discretionary and determined by the Board based on individual and business KPIs. Business KPIs may consist of financial and strategic components including revenue growth, customer acquisition and retention, new market access and trading margins. Individual KPIs consist of personal business goals which align with the Group's strategies, as well as a compliance culture. The Board believes that having a mix of financial and non-financial KPIs will provide measurable financial performance criteria strongly linked to increased year-on-year shareholder value and encourage the achievement of personal business goals consistent with the Group's overall objectives. To be eligible for the STI, participants must be employees in good standing of the Company at the date on which the bonus is payable.
Measurement of Performance Conditions	Performance against the KPIs is assessed annually by the Board on recommendations from the Remuneration and Nomination Committee after the end of the performance period as part of the broader performance review process for each KMP.
Treatment on Cessation of Employment	If a KMP ceases to be employed during the 12-month performance period in 'good leaver' circumstances, they may be entitled to a pro rata STI award unless the Board determined otherwise.

BUSINESS KPIS

The Business KPIs for the Reporting Period (and their outcomes) are set out below:

FY22 METRICS	TARGET	OUTCOME
Group Net Revenue	Achieve Board approved Group Target. PointsBet is a "growth" company. Management are investing in people, marketing and technology/product and incurring losses (at a Group level) in the short term so that we can deliver profits in the long term.	Not Achieved
US First Time Bettor (FTB) Cost Per Acquisition (CPA) to Lifetime Value (LTV) ratio	Achieve Board approved Ratio Improvement Targets. Improving the CPA to LTV relationship by acquiring the right clients as efficiently as possible, while ensuring the Company provides them the best possible experience to ensure maximum retention.	Not Achieved
US In-play Product Benchmark Measurement	Targets are measured against our competition in critical areas such as depth and breadth of product, market "uptime", bet acceptance speed, trading margins and growth of handle. With 75% of all handle in the US expected to be in-play, delivering a market leading in-play product in PointsBet's right to win.	Achieved
US State Market Share	Achieve market share target. In a nascent market like the US, market share represents a benchmark that can measure our progress against competitors.	Not Achieved

PERCENTAGE OF STI PAID AND FORFEITED DURING THE REPORTING PERIOD

Details of the STI outcomes during the Reporting Period are outlined in the table below.

TABLE 4. EXECUTIVE KMP STI OUTCOMES

EXECUTIVE KMP	MAXIMUM STI OPPORTUNITY	$ VALUE OF STI AWARD GRANTED	% OF MAXIMUM STI AWARD GRANTED	% OF MAXIMUM STI AWARD FORFEITED
SJ Swanell	100% of Base Salary (inc Super)	$175,000	25%	75%
M Gombra Singh	20% of Base Salary	$25,834	25%	75%
AJ Mellor	20% of Base Salary (inc Super)	$19,928	25%	75%
AJ Hensher	20% of Base Salary (inc Super)	$18,678	25%	75%

4.3 EXECUTIVE LTI AWARDS

PointsBet is one of a small group of ASX listed companies that overtime will derive the majority of its revenues from overseas markets, in particular the United States, and is genuinely global in its structure and operations. Although the Company is listed on the Australian Securities Exchange, it has over 600 employees based globally and is licensed in more than 12 jurisdictions.

The Company's senior leadership is becoming more US based, and the business must increasingly attract and retain leaders in US and other markets with technology and global management skillsets. US market practice (in particular) places a greater emphasis on time based at-risk opportunity, and significant equity grants are more commonly used for talent attraction and retention (than in Australia).

The continued expansion of the Company's business in the United States reinforces the need for the Company's remuneration structures to evolve and take into account global pay philosophies, particularly those in the technology industry.

The Board therefore continues to review the structure of the Company's incentive schemes to ensure they are globally competitive and effective in retaining, attracting and motivating the leadership and talent it needs to drive business strategy and financial performance in the interests of shareholders, while continuing to reflect our 'pay for performance' philosophy.

The Company's current long-term incentive (LTI) plan, known as the Key Employee Equity Plan (KEEP), assists in the reward, retention and motivation of participants and aligns their interests with those of shareholders. KEEP is an equity-based plan which is delivered in the form of performance share rights (PSRs). As noted at the start of the Report, adjustments have been made to KMP remuneration for FY23.

The KEEP Rules provide the framework under which KEEP and individual grants will operate.

The table below outlines the key terms and conditions applying to Senior Executive KEEP arrangements for the KMPs during the Reporting Period.

TABLE 5. DESCRIPTION OF KEEP

Purpose and Link to Strategy	Long-term incentive compensation is designed to: (1) balance and align the interests of Executives and shareholders; (2) reward Executives for demonstrated leadership and performance aimed towards the creation of shareholder value; (3) increase equity holding levels; (4) align with competitive levels of compensation opportunity within our peer group; and (5) support in attracting, retaining and motivating Executives.
Overview of Senior Executive KEEP Arrangements During the Reporting Period	Senior Executive KEEP awards are an at-risk component of executive remuneration involving annual grants of performance share rights (PSRs). They are used to attract and retain key executive talent to the organisation. The Group will continue to review its incentive arrangements on an ongoing basis to ensure they continue to meet the evolving needs of the Group. Annual KEEP grants are likely to remain the key remuneration arrangement designed to attract executives and retain talent over the medium term.
Form of Awards	The KEEP Rules permit the Company to grant PSRs, which are an entitlement to receive Company shares upon satisfaction of applicable conditions, subject to the terms of individual offers. PSRs are granted for nil consideration as they are part of a Senior Executive's remuneration. Each eligible participant is awarded a KEEP Cash Component as part of their annual Total Target Remuneration (TTR). The KEEP Cash Component is then converted into PSRs based on the 5-trading day VWAP of Shares up to and including 30 June (the day before the start of the Performance Period). Each PSRs will convert into one fully paid ordinary share in the Company. Please refer to Table 12 for details of PSRs awarded during the Reporting Period.
Performance Period, Conditions and Vesting	KEEP awards have a 12-month Performance Period (for the Reporting Period being 1 July 2021 to 30 June 2022) whereby the eligible participant must achieve 'Satisfactory Performance' (as determined in accordance with the Company's performance review processes). Where the participant achieves Satisfactory Performance and remains employed: • as at 1 July 2023 (12 month retention), 50% of the KEEP PSRs will vest; and • as at 1 July 2024 (24 month retention) 50% of the KEEP PSRs will vest.
Cessation of employment	Under the KEEP Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment.
Eligibility	Offers may be made at the Board's discretion to employees of the Company (including the Executive Directors) and any other person that the Board determines to be eligible to receive a grant under the KEEP Plan.
Offers under the KEEP Plan	The Board may make offers at its discretion and any offer documents must contain the information required by the KEEP Rules. The Board has the discretion to set the terms and conditions on which it will offer performance rights in individual offer documents. Offers must be accepted by the employee and can be made on an opt-in or opt-out basis.
Clawback and preventing inappropriate benefits	The KEEP Rules provide the Board with broad "clawback" powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.

Change of control	The Board may determine that all or a specified number of a participant's performance rights will vest or cease to be subject to restrictions on a change of control event in accordance with the KEEP Rules.
Reconstructions and corporate actions	The KEEP Rules include specific provisions dealing with rights issues, bonus issues and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.
Restrictions on dealing	Prior to vesting, the KEEP Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the Securities Dealing Policy.
Other terms	The KEEP Plan contains customary and usual terms of dealing with administration, variation, suspension and termination of the Plan.

During the Reporting Period, the Company's existing Employee Share Option Plan (ESOP) remained on foot, however no new equity grants were made under the ESOP.

Details of the number of options with vested and lapsed during the Reporting Period can be found in Table 11.

Further details of the ESOP can be found in the Remuneration Report for the period ending 30 June 2021.

4.4 SENIOR EXECUTIVE CONTRACTS

All KMP have a written Executive Service Agreement with the Group. The key terms of these agreements are set out below.

TABLE 6. KEY TERMS OF KMP CONTRACTS

Duration	In the case of AJ Hensher and AJ Mellor, ongoing term. In the case of SJ Swanell, fixed term ending 30 June 2024. No later than 12 months prior to the end of the term, SJ Swanell and the Company will meet and agree (i) to extend the Employment Agreement at the end of the term (on terms to be mutually agreed); or (ii) that the Employment Agreement be terminated at the end of the term. On 1 July 2022 M Gombra-Singh transitioned to a Non-Executive Director. As part of the transition arrangements, M Gombra-Singh maintained his Executive remuneration arrangements until 30 June 2022, at which time his Executive Employment Contract came to an end.
Periods of Notice Required to Terminate	In the case of: • SJ Swanell, six months' notice of termination by the employee and twelve months' notice of termination by the Company; • M Gombra-Singh, six months' notice of termination by the employee and six months' notice of termination by the Company; • AJ Mellor three months' notice of termination by the employee and six months' notice of termination by the Company; and • AJ Hensher, three months' notice of termination by the employee and six months' notice of termination by the Company. All payments on termination will be subject to the termination benefits cap under the Corporations Act. Shareholder approval was obtained prior to Listing for the provision of benefits on cessation of employment.
Restraints	Non-compete and non-solicit restraints for each employee.

SECTION 5. REMUNERATION GOVERNANCE

5.1 OVERVIEW

The following table represents the Group's remuneration decision making structure.

TABLE 7. REMUNERATION GOVERNANCE AND DECISION MAKING

<table>
<tr><th colspan="2">BOARD</th></tr>
<tr><td colspan="2">Review and approval.
Exercise of discretion in relation to targets, goals or funding pools.</td></tr>
<tr><th colspan="2">REMUNERATION AND NOMINATION COMMITTEE</th></tr>
<tr><td colspan="2">Board remuneration framework and policy.
Senior Executive KMP & Non-Executive Director remuneration outcome recommendations.</td></tr>
<tr><th>MANAGEMENT</th><th>REMUNERATION ADVISORS</th></tr>
<tr><td>Proposals on executive remuneration outcomes.
Implementing remuneration policies.</td><td>External and independent remuneration advice and information.</td></tr>
</table>

5.2 BOARD AND REMUNERATION AND NOMINATION COMMITTEE RESPONSIBILITIES

Details of the composition and responsibilities of the Board and the Remuneration and Nomination Committee are set out in the Corporate Governance Statement (which forms part of this Annual Report).

5.3 USE OF REMUNERATION CONSULTANTS

The Remuneration and Nominations Committee may seek and consider advice from external advisers from time to time to assist the Committee discharge its duties. Any advice from consultants is used to guide the Committee and Board, but does not serve as a substitute for thorough consideration by Non-Executive Directors.

Remuneration advisors may be engaged by the Chair of the Remuneration and Nominations Committee, however during the Reporting Period, no remuneration recommendations, as defined by the Act, were made by the remuneration advisors during the Reporting Period.

SECTION 6. NON-EXECUTIVE DIRECTOR REMUNERATION

Details of the Non-Executive Directors of PointsBet Holdings Limited during the Reporting Period are provided in the Directors' Report.

6.1 OVERVIEW OF POLICY

In setting fee levels, the Remuneration and Nominations Committee, which makes recommendations to the Board, takes into account the demands and responsibilities associated with the Non-Executive Directors roles and the global scope and highly regulated environment in which the Group operates. The Board will continue to review its approach to Non-Executive Director remuneration to ensure it remains in line with high standards of corporate governance.

During the Reporting Period the Remuneration and Nominations Committee commissioned a review and benchmarking of Non-Executive Director's fees taking into account, amongst other things:

- inclusion of the Company in the S&P ASX 200 Index;
- increasing time commitments due to the growth in size and scope of the Company's strategic business and the requirements to comply with regulatory requirements in multiple environments;
- increasing travel commitments to attend additional overseas board meetings as well as visits to operations globally; and
- increasing regulatory load as a direct result for the need for each Director to meet individual State requirements for probity and licensing requirements. These are quite onerous.

With the assistance of this information, the Board determined a new structure for NED fees from 1 September 2021 as detailed in Section 6.3 below.

6.2 COMPONENTS AND DETAILS OF NON-EXECUTIVE DIRECTOR REMUNERATION

PointsBet is transforming into an expanding listed global business with scale, complexity and diversity, which has in turn significantly increased both Board and Committee workloads. In addition, recent developments in the corporate governance landscape are leading to increased expectations and demands of Non-Executive Directors on ASX boards.

Fees also reflect the regulatory requirements of the environment in which PointsBet operates, which imposes considerable demands on the Non-Executive Directors and their families who are required to disclose detailed personal and financial information and submit to interviews, including in foreign jurisdictions.

Non-Executive Directors are entitled to be reimbursed for all reasonable business-related expenses, including travel, as may be incurred in the discharge of their duties.

PointsBet does not make sign-on payments to new Non-Executive Directors and the Board does not provide for retirement allowances for Non-Executive Directors.

6.3 AGGREGATE FEE POOL AND DIRECTOR FEES

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Non-Executive Director. However, under the Constitution and the ASX Listing Rules, the total aggregate amount provided to all Non-Executive Directors for their services must not exceed in any financial year the aggregate amount approved by shareholders at the Company's general meeting. The amount has been fixed at $1,500,000 per annum. As noted in the Notice of Meeting for the 2021 Annual General meeting, it is not intended that the full amount of the proposed maximum cap be used, but rather that it be set at a level to allow for growth in Non-Executive Director fees over time to reflect these increasing demands and responsibilities as well as recognition of the Company's increased complexity.

FEES PAYABLE UNTIL 31 AUGUST 2021

The annual Non-Executive Director fees agreed to be paid by the Company to:

- the Chairman is $100,000 (inclusive of superannuation);
- each Australia Non-Executive Directors is $80,000 (inclusive of superannuation); and
- each US Non-Executive Directors is US$100,000.

Directors did not receive additional fees for being a member of a Board Committee.

FEES PAYABLE FROM 1 SEPTEMBER 2021

Following on from the review of NED Fees, from 1 September 2021, the annual Non-Executive Director fees agreed to be paid by the Company to:

- the Chairman is $150,000 (inclusive of superannuation);
- each Australia Non-Executive Directors is $105,000 (inclusive of superannuation); and
- each US Non-Executive Directors is US$125,000.

In addition:

- the Chairperson of each Committee is paid an additional stipend of $15,000 / US$15,000;
- each Committee Members is paid an additional stipend of $10,000 / US10,000; and
- each additional jurisdiction requiring probity for the Non-Executive Directors attracts additional stipend of A$3,500 / US$3,500 per license (capped at A$30,000 / US$30,000 per year).

SECTION 7. STATUTORY REMUNERATION TABLES AND DATA

7.1 DETAILS OF EXECUTIVE KMP REMUNERATION

The following table reflects the accounting value of remuneration attributable to Executive KMP, derived from the various components of their remuneration. This does not necessarily reflect actual amounts paid to Executive KMP due to the conditional nature (for example, performance criteria) of some of these accrued amounts.

TABLE 8. STATUTORY EXECUTIVE KMP REMUNERATION TABLE

		SHORT TERM BENEFITS ($)			POST EMPLOYMENT ($)		LONG-TERM	SHARE BASED[4]		
KEY MANAGER'S NAME /REPORTING PERIOD	YEAR	SALARY AND FEES[1]	STI CASH BONUS	OTHER BENEFITS[2]	SUPER-ANNUATION /PENSION (401(K))	TERMINATION[3]	LONG SERVICE LEAVE	OPTIONS $	TOTAL $	PERFORMANCE RELATED %
Executive Director										
SJ Swanell	**2022**	**676,432**	**175,000**	**85,999**	**23,568**	**–**	**23,434**	**819,440**	**1,803,874**	**45%**
	2021	449,548	89,910	13,937	21,694	–	7,513	925,200	1,507,802	61%
M Gombra-Singh[5]	**2022**	**479,271**	**25,834**	**117,858**	**76,244**	**129,169**	**–**	**705,287**	**1,533,664**	**46%**
	2021	285,312	56,031	30,800	53,647	–	–	454,013	879,802	52%
Executive KMP										
AJ Mellor	**2022**	**375,002**	**19,928**	**12,343**	**23,568**	**–**	**8,500**	**564,059**	**1,003,400**	**56%**
	2021	345,853	69,171	16,739	21,694	–	4,257	584,534	1,042,249	56%
AJ Hensher	**2022**	**350,003**	**18,678**	**11,578**	**23,568**	**–**	**8,644**	**293,979**	**706,451**	**42%**
	2021	320,853	64,171	14,324	21,694	–	3,997	231,049	656,089	35%
TOTAL KMP	**2022**	**1,880,708**	**239,441**	**227,778**	**146,948**	**129,169**	**40,579**	**2,382,765**	**5,047,389**	**47%**
	2021	1,401,567	279,282	75,800	118,730	–	15,767	2,194,796	4,085,941	54%

1. Amounts shown as cash salary and fees include amounts sacrificed in lieu of other benefits at the discretion of the individual. To the extent that benefits are paid and subject to Fringe Benefits Tax (FBT), the above amount includes FBT.
2. Other benefits includes the net movement of annual leave entitlement balance and non-monetary benefits which include insurance and travel costs, relocation costs, living away from home and expatriate related costs and associated FBT.
3. Amounts reflect accruals in connection with the termination of employment (inclusive of any accruals for payments in lieu of notice).
4. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executive KMP may ultimately realise should the equity instruments vest. An independent accounting valuation for each tranche of options at their respective grant dates has been performed.
5. Amounts disclosed in 2021 above only include amounts attributable to M Gombra-Singh in his position as KMP (i.e. from 18 November 2020).

7.2 DETAILS OF NON-EXECUTIVE DIRECTOR REMUNERATION

TABLE 9 – STATUTORY NON-EXECUTIVE REMUNERATION TABLE

		SHORT-TERM BENEFITS ($)		POST-EMPLOYMENT BENEFITS ($)		SHARE-BASED[4]		
DIRECTORS	YEAR	CASH SALARY AND FEES[1]	FEES FOR EXTRA SERVICES	SUPERANNUATION[2]	RETIREMENT BENEFITS[3]	OPTIONS $	TOTAL $	PERFORMANCE RELATED %
BWF Paton	**2022**	**166,281**	**–**	**16,628**	**–**	**–**	**182,909**	**–**
	2021	91,324	–	8,676	–	–	100,000	–
AP Symons	**2022**	**123,389**	**–**	**12,339**	**–**	**33,717**	**169,445**	**20%**
	2021	73,059	–	6,941	–	45,345	125,345	36%
PD McCluskey	**2022**	**129,752**	**–**	**12,975**	**–**	**33,717**	**176,445**	**19%**
	2021	73,059	–	6,941	–	45,345	125,345	36%
BK Harris	**2022**	**197,720**	**–**	**–**	**–**	**–**	**197,720**	**–**
	2021	135,263	–	–	–	–	135,263	–
KM Gada[5]	**2022**	**115,207**	**–**	**11,521**	**–**	**–**	**126,728**	**–**
	2021	11,784	–	1,119	–	–	12,903	–
TOTAL	**2022**	**732,349**	**–**	**53,463**	**–**	**67,435**	**853,247**	**8%**
	2021	384,489	–	23,677	–	90,690	498,856	18%

1. Amounts shown as cash salary and fees include amounts sacrificed in lieu of other benefits at the discretion of the individual. To the extent that any non-monetary benefits are subject to Fringe Benefits Tax (FBT), amounts shown include FBT.
2. Superannuation contributions include amounts required to satisfy the Group's obligations under applicable Superannuation Guarantee legislation.
3. Non-Executive Directors are not entitled to any retirement benefit.
4. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual KMP may ultimately realise should the equity instruments vest. An independent accounting valuation for each tranche of options at their respective grant dates has been performed.
5. KM Gada commenced on 3 May 2021.

7.3 SHARE-BASED COMPENSATION

The terms and conditions of each grant of options issued by 30 June 2022 over ordinary shares affecting remuneration of Non-Executive Directors and other Executive KMP in this Reporting Period or future reporting periods are as follows:

TABLE 10. OPTIONS ON ISSUE

NAME	NUMBER OF OPTIONS GRANTED	GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE ($)[2]	FAIR VALUE PER OPTION AT GRANT DATE ($)
Non-Executive Directors						
AP Symons	62,879	30 Jan 2019	30 Jan 2022	30 Jan 2023	0.234	1.12
	31,440	30 Jan 2019	30 Jan 2023	30 Jan 2024	0.234	1.20
	31,440	30 Jan 2019	30 Jan 2024	30 Jan 2025	0.234	1.27
PD McCluskey	31,440	30 Jan 2019	30 Jan 2023	30 Jan 2024	0.234	1.20
	31,440	30 Jan 2019	30 Jan 2024	30 Jan 2025	0.234	1.27
Executive Directors						
SJ Swanell	1,257,585[1]	30 Jan 2019	30 Jan 2022	30 Jan 2023	0.234	1.12
	628,792	30 Jan 2019	30 Jan 2023	30 Jan 2024	0.234	1.20
	628,792	30 Jan 2019	30 Jan 2024	30 Jan 2025	0.234	1.27
MG Singh	156,250	29 Aug 2019	31 Mar 2020	31 Mar 2023	1.671	1.13
	312,500	29 Aug 2019	31 Dec 2020	30 Jan 2023	1.671	1.11
	390,625	29 Aug 2019	30 Jan 2022	30 Jan 2024	1.671	1.25
	354,077	29 Aug 2019	30 Jan 2023	30 Jan 2025	1.671	1.37
	100,000	6 Jan 2020	6 Jan 2023	6 Jan 2025	3.714	2.44
	100,000	6 Jan 2020	6 Jan 2024	6 Jan 2026	3.714	2.64
Other KMP						
AJ Mellor	78,559	30 Jan 2019	30 Jan 2022	30 Jan 2024	0.234	1.20
	78,559	30 Jan 2019	30 Jan 2023	30 Jan 2025	0.234	1.27
	294,579	28 Jun 2019	30 Jan 2022	30 Jan 2024	1.071	1.80
	277,619	28 Jun 2019	30 Jan 2023	30 Jan 2025	1.071	1.92
AJ Hensher	78,599	30 Jan 2019	30 Jan 2022	30 Jan 2024	0.234	1.20
	78,599	30 Jan 2019	30 Jan 2023	30 Jan 2025	0.234	1.27
	71,428	28 Jun 2019	30 Jan 2022	30 Jan 2024	1.071	1.80
	71,428	28 Jun 2019	30 Jan 2023	30 Jan 2025	1.071	1.92

1. These options were exercised by SJ Swanell post 30 June 2022 and before the release of this remuneration report.

The number of options over ordinary shares in the Company held during the Reporting Period by each Non-Executive Director and other members of the Executive KMP of the Group, including their personally related parties, is set out below:

TABLE 11. MOVEMENT IN OPTIONS

NAME	BALANCE AT 1 JULY 2021	GRANTED	EXERCISED	EXPIRES/ FORFEITED/OTHER	BALANCE AT 30 JUNE 2022
Non-Executive Director					
AP Symons	125,759	–	–	–	125,759
PD McCluskey	125,759	–	(62,879)	–	62,880
Executive Director					
SJ Swanell	2,515,169	–	–	–	2,515,169
M Gombra-Singh	1,413,452	–	–	–	1,413,452
Other KMP					
AJ Mellor	729,396	–	–	–	729,396
AJ Hensher	300,054	–	–	–	300,054

TABLE 12. MOVEMENT IN PSRS

NAME	BALANCE AT 1 JULY 2021	GRANTED	EXERCISED	EXPIRES/ FORFEITED/OTHER	BALANCE AT 30 JUNE 2022
Executive Director					
SJ Swanell	8,897	26,596	–	–	35,493
M Gombra-Singh	53,381	28,868	–	–	82,249
Other KMP					
AJ Mellor	48,043	24,316	–	–	72,359
AJ Hensher	32,028	20,517	–	–	52,545

SECTION 8. EXECUTIVE KMP REMUNERATION RECEIVED

The amounts disclosed in Table 13 below as Executive KMP remuneration for the Reporting Period reflect the actual benefits received by each KMP during the Reporting Period. The remuneration values disclosed below have been determined as follows:

FIXED REMUNERATION

Fixed remuneration includes base salaries received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such as sign-on bonuses or termination benefits.

Fixed remuneration excludes any accruals of annual or long-service leave.

SHORT-TERM INCENTIVES

The cash STI benefits represent the bonuses that were awarded to each KMP in relation to Reporting Period.

LONG-TERM INCENTIVES

The value of vested and exercised options was determined based on the intrinsic value of the options at the date of exercise, being the difference between the share price on that date and the exercise price payable by the KMP.

TABLE 13. ACTUAL REMUNERATION RECEIVED

NAME	FIXED REMUNERATION ($)	AWARDED STI ($)	VESTED AND EXERCISED LTI ($)	OTHER BENEFITS ($)	TOTAL VALUE ($)
Executive Director					
SJ Swanell	676,432	89,906	–	85,999	852,337
M Gombra-Singh	479,271	96,447	–	89,624	665,342
Other KMP					
AJ Mellor	375,002	68,959	–	12,343	456,303
AJ Hensher	350,003	63,973	–	11,578	425,554
Total Executive KMP Remuneration	**1,880,708**	**319,284**	**–**	**199,544**	**2,399,536**

The amounts disclosed in Table 13 above are not the same as the remuneration expensed in relation to each KMP in accordance with the accounting standards (see Table 8). The directors believe that the remuneration received is more relevant to users for the following reasons:

- The statutory remuneration expensed is based on historic cost and does not reflect the value of the equity instruments when they are actually received by the KMPs.
- The statutory remuneration shows benefits before they are actually received by the KMPs.
- Where options do not vest because a market-based performance condition is not satisfied (eg an increase in the company's share price), the Company must still recognise the full amount of expenses even though the KMPs will never receive any benefits.
- Share-based payment awards are treated differently under the accounting standards depending on whether the performance conditions are market conditions (no reversal of expense) or non-market conditions (reversal of expense where shares fail to vest), even though the benefit received by the KMP is the same (nil where equity instruments fail to vest).

The information in this section has been audited together with the rest of the Remuneration Report.

SECTION 9. SHAREHOLDINGS

9.1 MOVEMENT IN SHARES

The number of shares (excluding those unvested under the LTI plan) in the Company held during the year ended 30 June 2022 by each Non-Executive Director and Executive KMP, including their personally related entities, are set out below. No amounts are unpaid on any of the shares issued.

Where shares are held by the Director or Executive KMP and any entity under the joint or several control of the Director or Executive KMP, they are shown as 'beneficially held'. Shares held by those who are defined by AASB 124 Related Party Disclosures as close members of the family of the Director or Executive KMP or are held through a nominee or custodian are shown as 'non-beneficially held'.

The following sets out details of the movement in shares in the Company held by Non-Executive Directors or their related parties during the year:

TABLE 14. DETAILS OF NON-EXECUTIVE DIRECTOR SHAREHOLDINGS

NON-EXECUTIVE DIRECTORS					
NAME	TYPE	BALANCE AT 1 JULY 2021	OPTIONS VESTED AND EXERCISED	OTHER NET CHANGES DURING THE YEAR	BALANCE AS AT 30 JUNE 2022
BWF Paton	Beneficially held	12,769,812	–	2,463,445	**15,233,257**
	Non-beneficially held	264,848	–	–	**264,848**
AP Symons	Beneficially held	730,102	–	10,000	**740,102**
	Non-beneficially held	–	–	–	**–**
PD McCluskey	Beneficially held	438,636	–	–	**438,636**
	Non-beneficially held	–	62,879	–	**62,879**
BK Harris	Beneficially held	–	–	–	**–**
	Non-beneficially held	–	–	–	**–**
KM Gada	Beneficially held	–	–	–	**–**
	Non-Beneficially held	–	–	4,735	**4,735**

All equity instrument transactions between the Non-Executive Directors, including their related parties, and PointsBet during the year have been on arm's length basis.

The following sets out details of the movement in shares in the Company held by Executive KMP or their related parties during the year:

TABLE 15. DETAILS OF EXECUTIVE KMP SHAREHOLDINGS NOT HELD UNDER AN EMPLOYEE SHARE PLAN

		EXECUTIVE DIRECTORS AND OTHER EXECUTIVE KMPS			
NAME	TYPE	BALANCE AT 1 JULY 2021	OPTIONS VESTED AND EXERCISED	OTHER NET CHANGES DURING THE YEAR	BALANCE AS AT 30 JUNE 2022
SJ Swanell	Beneficially held	–	–	–	**–**
	Non-beneficially held	3,483,761	–	(899,840)	**2,583,921**
M Gombra-Singh	Beneficially held	205,000	–	–	**205,000**
	Non-beneficially held	–	–	–	**–**
AJ Mellor	Beneficially held	–	–	–	**–**
	Non-beneficially held	75,842	–	8,426	**84,268**
AJ Hensher	Beneficially held	–	–		**–**
	Non-beneficially held	6,732	–	(6,732)	**–**

In addition, AJ Mellor holds 5,056 options issued under the accelerated, renounceable pro rata entitlement offer pursuant to the prospectus lodged with ASIC and ASX on 7 September 2020 ("PBHO").

Other than share-based payment compensation effected through an employee share option plan, all equity instrument transactions between Executive KMP, including their related parties, and PointsBet during the year have been on arm's length basis.

9.2 LOANS WITH KMP

No KMP or their related parties held any loans from the Group during or at the end of the year ended 30 June 2022 or prior year.

9.3 OTHER KMP TRANSACTIONS

AP Symons, a Non-Executive Director, is Managing Director and majority beneficial owner of Clarendon Lawyers, the Company's Australian legal adviser and a material services provider to the Company. On 1 December 2021, Clarendons merged with Mills Oakley. During the Reporting Period until the date of the merger, the Company paid a total of $7,912 in legal fees for legal services to Clarendon Lawyers.

M Gombra-Singh, a Non-Executive Director, is the founder, owner and director of Arete Security Inc dva Druvstar, the Company's managed security provider. During the Reporting Period, the Company paid a total of $1,420,095 for managed security provider services to Druvstar.

KM Gada, a Non-Executive Director, is the founder and principal of Recastled, a media and technology advisory firm. During the Reporting Period, the Company paid a total of $150,920 for strategic advisory services to Recastled.

REVIEW OF OPERATIONS

GROUP PERFORMANCE

EARNINGS SUMMARY FOR THE 12 MONTHS ENDING 30 JUNE 2022 (FY22 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 (PCP) are set out below:

NORMALISED RESULTS[1]

	FY22 $'000	FY21 $'000	VARIANCE %
Normalised Results			
Revenue	296,483	194,658	52%
EBITDA loss	(243,580)	(156,165)	56%
Loss for the year	(266,862)	(164,946)	62%
Weighted average number of ordinary shares	255,424	193,012	32%
Basic and diluted earnings per share (cents)	(104.5)	(85.5)	22%

STATUTORY RESULTS

	FY22 $'000	FY21 $'000	VARIANCE %
Statutory Results			
Revenue	296,483	194,658	52%
EBITDA loss	(250,000)	(162,324)	54%
Loss for the year	(267,689)	(187,733)	43%
Weighted average number of ordinary shares	255,424	193,012	32%
Basic and diluted earnings per share (cents)	(104.8)	(97.3)	8%

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'.

SIGNIFICANT ITEMS AND ADJUSTMENTS

	NOTE	FY22 $'000	VARIANCE VS FY21 $'000
Interest on Financial Liability	1	5,695	2,306
Fair value gain on Financial Liability	2	(2,062)	(2,602)
Share based payments (non-cash) – employee share option plan (ESOP) and key employee equity plan (KEEP)	3	9,523	3,114
Impact of AASB 16 Leases	4	394	117
Unrealised foreign exchange (gains)/losses	5	(14,127)	(22,785)
Start-up costs for Canadian operation	6	1,404	1,404
Impairment loss	7	–	(1,308)
Transaction costs	8	–	(2,746)
Total significant items and adjustments		**827**	**(21,960)**

1. 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.
2. Fair value gain on Financial Liability – The Group's normalised results include an adjustment related to the change in fair value of the Financial Liability component of the NBCUniversal consideration options. During the period the fair value of the Financial Liability decreased by $2.1 million as a result of the Company's implied cost of debt increasing from 7.44% to 8.39%.
3. Share based payments expense – Employee Share Option Plan (ESOP) 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 staff.
4. Impact of AASB 16 Leases – 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 foreign currency exposures (mainly USD) that have yet to be realised.
6. Start-up costs for Canadian operations – The Group's normalised results include an adjustment for start-up costs incurred in setting up the PointsBet Canada operations. Costs include employee costs, technology set up costs, consultants and other costs incurred in H1 FY22 to begin the business.
7. Impairment loss – The Group's FY21 normalised results include an adjustment for Impairment loss recognised to write-down the Group's market access intangible relating to the Group's option agreement with American Racing and Entertainment LLC, the owner of Tioga Downs Casino Resort in New York. This impairment followed a change in the regulatory structure for sports betting authorisation in New York.
8. Transaction costs – The Group's FY21 normalised results include an adjustment for transaction costs related to the acquisition of Banach Technology Limited, Premier Turf Club LLC and the five-year partnership with NBCUniversal Media LLC. The costs incurred related to specialist advisor fees, including financial, legal, media/PR, taxation and transaction services. These have been excluded as they are one-offs in nature and are not expected to re-occur in future reporting periods.

REVIEW OF OPERATIONS continued

KEY PERFORMANCE INDICATORS

PointsBet reported strong growth across the following key metrics:

POINTSBET GROUP – FY22 SPORTS BETTING PERFORMANCE (A$M)[1,2]

KEY METRICS – SPORTS BETTING	FY22	FY21	CHANGE VS PCP
Turnover/Handle[3]	5,006.3	3,781.4	+32%
Aus	2,536.4	1,989.0	+28%
US	2,454.0	1,792.4	+37%
Gross Win Margin	9.9%	9.3%	+0.6pp
Aus	13.3%	12.9%	+0.4pp
US	6.5%	5.3%	+1.1pp
Gross Win[4]	497.8	353.1	+41%
Aus	338.4	257.3	+32%
US	158.7	95.8	+66%
Net Win Margin	5.8%	5.5%	+0.3pp
Aus	8.5%	8.4%	+0.1pp
US	3.0%	2.3%	+0.7pp
Net Win[5]	289.1	207.0	+40%
Aus	215.4	166.1	+30%
US	74.1	40.9	+81%

1. The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period.
2. All Group figures include the Australian, US and Canadian Trading Metrics. Canadian operations launched on 4 April in the Province of Ontario only.
3. Turnover/Handle is the dollar amount wagered by clients before any winnings are paid out or losses incurred.
4. 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.
5. 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).

POINTSBET GROUP – FY22 NET WIN SUMMARY (A$M)

	FY22	FY21	CHANGE VS PCP
Net Win – Sports Betting	289.1	207.0	+40%
Net Win – iGaming	20.4	1.5	+1,292%
Net Win – Total	**309.4**	**208.5**	**+48%**

HIGHLIGHTS

Key highlights for the Reporting Period are set out below:

STRONG PERFORMANCE METRICS

- For the 12 months to 30 June 2022, the Australian Trading business had 239,121 Cash Active Clients,[1] a 22% increase compared to Cash Active Clients for the 12 months to 30 June 2021.
- For the 12 months to 30 June 2022, the US business had 266,882 Cash Active Clients, a 67% increase compared to Cash Active Clients for the 12 months to 30 June 2021.

1. Client across all verticals that have placed a cash bet in the 12 months preceding the relevant period end date.

- Group Net Win of $309.4 million during the Reporting Period, representing a 48% growth on the 12 months to 30 June 2021.
- The Australian Trading business recorded a Net Win of $215.4 million during the Reporting Period, representing a 30% growth on the 12 months to 30 June 2021.
- The US business recorded a Net Win of $93.9 million during the Reporting, representing a 122% growth on the 12 months to 30 June 2021.

NORTH AMERICAN MARKET ACCESS AND JURISDICTION LAUNCHES

- On 23 July 2021, PointsBet launched iGaming in New Jersey.
- On 13 August 2021, PointsBet launched online sports betting operations in West Virginia.
- During the Reporting Period, PointsBet extended its existing agreement with Catfish Bend Casino for sports betting (retail and online) in Iowa and in addition signed a new agreement for iGaming, subject to the passing of enabling legislation. Both agreements will run until 31 December 2030.
- On 16 September 2021, PointsBet announced that it had entered into an exclusive agreement with Austin FC (AFC) of Major League Soccer (MLS), appointing PointsBet as AFC's Exclusive Sportsbook Partner. PointsBet has also executed a market access agreement with AFC's home stadium (which is operated by Austin StadCo. LLC, an affiliate of AFC). Under the market access agreement, contingent on enabling legislation, PointsBet is appointed the venue's exclusive partner for sports betting operations in Texas.
- On 16 December 2021, PointsBet announced the launch of online and mobile sports betting operations in Virginia through its exclusive partnership agreement with Colonial Downs Group.
- On 20 January 2022, PointsBet was awarded sports wagering and interactive gaming operator licenses by the Pennsylvania Gaming Control Board to offer online sports betting and online casino products in Pennsylvania through its exclusive partnership agreement with Penn National Gaming.
- On 25 January 2022, PointsBet successfully launched online and mobile sports betting operations in New York.
- On 27 January 2022, PointsBet launched in iGaming operations in West Virginia.
- On 4 February 2022, PointsBet was approved as an Online Sports Wagering Operator in Wyoming.
- On 8 February 2022, PointsBet took its first online sportsbook bet in Pennsylvania, representing its 10th online sportsbook operation in the United States.
- On 4 April 2022, PointsBet launched online sports betting and iGaming operations in Ontario, Canada.
- On 12 April 2022, PointsBet officially launched iGaming operations in Pennsylvania. This marked the fourth US state where PointsBet has iGaming operations, following successful launches in Michigan, New Jersey and West Virginia.

GLOBAL BRAND AND MARKETING

- On 8 July 2021, PointsBet announced that NFL all-time great Drew Brees officially joined the PointsBet team. Brees, who is transitioning to a broadcasting career with NBC Sports will deepen the NBC Sports and PointsBet relationship as the Company continues to expand and realise the growing North American online sports betting and iGaming opportunity in 2021 and beyond.
- On 19 August 2021, PointsBet announced that it had been selected by the National Football League (NFL) as an Approved Sportsbook Operator beginning with the 2021 season. The relationship provides PointsBet with sponsorship opportunities and brand visibility via unique integrations across various television and digital assets, including NFL owned networks as well as their full suite of media partners. PointsBet also gained use of official NFL data, ultimately enhancing the customer experience.
- On 16 September 2021, PointsBet announced that it had entered into an exclusive agreement with Austin FC (AFC) of Major League Soccer (MLS), appointing PointsBet as AFC's Exclusive Sportsbook Partner. PointsBet has also executed a market access agreement with AFC's home stadium (which is operated by Austin StadCo. LLC, an affiliate of AFC). Under the market access agreement, contingent on enabling legislation, PointsBet is appointed the venue's exclusive partner for sports betting operations in Texas.
- In September 2021, PointsBet Canada entered into a multi-year deal to serve as the Official and Exclusive Sports Betting Partner of DailyFaceoff.com and The Nation Network. DailyFaceOff is a world class source of professional insights, opinion pieces, breaking news and statistical analysis with 1.5 million monthly users. Nation Network is a 12 website and multi-podcast network of 5 million passionate sports fans. Both assets will help PointsBet establish a genuine connection with our target market in Canada.
- In September 2021, PointsBet Australia became the new Major Partner of the Manly Sea Eagles National Rugby League (NRL) team. The new exclusive multi-year sponsorship deal will see PointsBet take over the main front position on the Sea Eagles NRL jerseys for at least the next four years.
- On 13 October 2021, PointsBet Canada entered into an agreement to become the Official and Exclusive Sports Betting Partner of Curling Canada. The long-term partnership will allow PointsBet to offer exciting and innovative ways for fans to engage with Curling Canada events. As part of the agreement, PointsBet will also become a title sponsor of a Curling Canada Season of Champions event, beginning in the 2022-23 season.

- On 8 December 2021, PointsBet announced a multi-year partnership with Maryland Sports Properties, a Playfly Sports property. The agreement is the first sports betting partnership within the Big Ten Conference and will feature fan-facing in-game and campus activations in and around Maryland's XFINITY Center and Capital One Field at Maryland Stadium, in addition to strategic responsible and problem gambling education to Maryland staff, students, and fans.
- On 11 January 2022, PointsBet announced that PointsBet Canada had joined the NHL Alumni Association (NHLAA) as their Exclusive Sports Betting Partner in Canada and Official Partner in the United States. The multi-year deal grants PointsBet Canada with the marketing and licensing rights to the NHLAA and the many iconic NHL Alumni across North America.
- On 14 January 2022, PointsBet Canada and the Trailer Park Boys announced an exclusive multi-year partnership that will include authentic content collaboration appearing on the Trailer Park Boys and PointsBet Canada owned channels. The Trailer Park Boys will also be appearing in PointsBet's advertising campaigns, activations, and special VIP-style events.
- On 2 February 2022, PointsBet Canada and Alpine Canada Alpin (ACA) announced a new partnership that sees PointsBet join the ACA sponsorship family as the official sportsbook. The multi-year agreement commenced with the current 2021-2022 season.
- On 24 March 2022, PointsBet announced a partnership with the Ottawa Sports and Entertainment Group, which owns the Canadian Football League's Ottawa Redblacks. The deal makes PointsBet the official sportsbook of the Redblacks and TD Place. The agreement also includes a jersey patch with the PointsBet logo.
- On 11 April 2022, PointsBet Canada and Maple Leaf Sports & Entertainment (MLSE) agreed to a new multi-year agreement that sees PointsBet become an Official Sports Betting Partner of MLSE's professional teams: Toronto Maple Leafs (NHL), Toronto Marlies (AHL), Toronto Raptors (NBA), Toronto Argonauts (CFL), and Toronto FC (MLS).
- On 13 June 2022, PointsBet Canada entered into an agreement with Clublink, Canada's largest owner and operator of golf clubs. The multi-year partnership will see PointsBet Canada become the Official Sports Betting Partner of ClubLink which hosts over 1,000,000 rounds of golf annually at its clubs in Ontario.
- On 12 July 2022, PointsBet announced entered into a two-year streaming partnership with IMG ARENA, a sports data and technology hub serving the sports, sports betting, and sports media eco-systems, whereby it will offer bettors on-demand streaming access to more than 40,000 premium games and matches.

IN-HOUSE PRODUCT AND TECHNOLOGY DEVELOPMENT

The Company has continued to invest in the development of its in-house scalable technology platform, resulting in the launch of new products and enhancements. These include:

- On January 27 2022, PointsBet became the first sportsbook to offer live, in-game, same game parlay options for NFL and NBA contests as a part of its OddsFactory[1] proprietary technology integration. This provided clients with the ability to instantly build their perfect PointsBet "Live Same Game Parlay" while tracking odds, player performance, and team stats.
- Live Dealer iGaming successfully launching in Michigan, New Jersey and Pennsylvania.

ADDITIONAL PRODUCT ENHANCEMENTS AND DEVELOPMENTS INCLUDE:

- Increased availability of 'Live Cash Out' options as a result of reduced suspension times.
- Navigational enhancements to search bar for the A-Z sports menu.
- Introduction of 'Lightning Bets'[2] on NBL and NBA.
- The launch of live streaming and visualisation options along with in-game statistics.
- Parlay Boost UX enhancements.
- Addition of 'Auto Accept Price' changes into bet settings.
- The addition of a "To Win" option into the bet slip for customers to choose the winning amount instead of the stake of a bet.
- MLB product upgrades to include lightning bets and live same game parlay.
- Launched in-house built NCAAB product ahead of March Madness on the OddsFactory proprietary technology platform. Offering clients the best in-play experience and most betting options including Same Game Parlay, Same Game Parlay In-Play, Cash Out and Lightning Bets.
- In-Play player prop markets for NBA.

1. OddsFactory is part of the company's proprietary trading platform which houses our pricing algorithms.
2. Lightning bets allow clients to have the options to be on what will happen in every minute of a game.

KEY PERFORMANCE ACHIEVEMENTS INCLUDE:

- On Melbourne Cup Day 2021, PointsBet Australia successfully processed 683,000 bets, a significant increase on 2020.
- At its peak, on Caulfield Cup and Everest Day PointsBet Australia processed over 4,000 bets-per-minute up 2.5 times on last year.
- During NBC's Saturday Playoff game on 15 January 2022, PointsBet customers experienced 100% uptime and no suspensions on in-game spread and moneyline bets, which the company believes to be the first ever of its kind in the United States.
- On 4 August 2022, PointsBet's US App was ranked in the top three out of 42 in Eilers & Krejcik app-by-app testing , with the testing group commending PointsBet for in-app speed and a diverse feature set. This recognition is a testament to the continued investment PointsBet makes to its technology and product. This marked the third consecutive quarter where PointsBet was in the top three.
- NBA core market uptime improvements of >97%.

CORPORATE HIGHLIGHTS

- In August 2021, PointsBet completed a $400 million capital raise comprising:
  – $215 million at $10.00 per share under a placement; and
  – $185 million at $8.00 per share under a 1 for 9 pro rata accelerated renounceable entitlement offer with retail rights trading.
- On 20 June 2022, PointsBet secured investment from SIG Sports Investments Corp. ('SIG Sports'), a member of the Susquehanna International Group of Companies ('SIG').
  – The placement of 38,750,000 shares at $2.43 per share, raises $94 million and represents a 15% premium to the 5-day VWAP to 17 June 2022.
  – SIG Sports has become PointsBet's largest shareholder, representing 12.8% of the Company's issued capital.
  – PointsBet Europe Holdings Limited and Nellie Analytics Limited ("Nellie Analytics"), a member of SIG, also entered into an agreement to scope and develop the terms for Nellie Analytics to provide sports analytics and quantitative modelling services to complement PointsBet's existing capabilities and accelerate the technology roadmap.

PERFORMANCE SUMMARY

GROUP PROFIT AND LOSS

A$M	STATUTORY FY22	FY21
Revenue from continuing operations	296.5	194.7
Cost of sales	(174.9)	(107.0)
Gross profit	**121.6**	**87.6**
Other income	0.4	0.3
Sales and marketing expense	(236.8)	(170.7)
Employee benefits expense	(92.2)	(51.4)
Product and technology expense	(22.2)	(13.8)
Administration and other expenses	(20.8)	(14.3)
Total operating expenses	**(372.0)**	**(250.3)**
EBITDA	**(250.0)**	**(162.3)**
Net finance costs	(3.0)	(3.2)
Foreign exchange	14.1	(8.7)
Depreciation and amortisation expense	(31.4)	(12.2)
Impairment loss	–	(1.3)
Income tax expense	2.6	–
Loss for the year	**(267.7)**	**(187.7)**

During the Reporting Period, the Group recorded a Net Revenue[1] increase of 52% to $296.5 million compared to the PCP.

In Australia, the Company recorded Net Revenue for the Reporting Period of $195.2 million, delivering strong year-on-year Net Revenue growth of 30%.

In the United States, the Company recorded Net Revenue for the Reporting Period of $98.7 million, delivering outstanding year-on-year Net Revenue growth.

The Company continued to capitalise on its expanding US presence by scaling its operations through key hires across all departments, as well as rolling out sports betting and iGaming operations into new states as well as preparing for future sports betting and iGaming operation launches. During the Reporting Period, Group expenses were primarily driven by marketing, employee benefits, product and technology costs and administration costs.

- Australia Marketing – Australian marketing expenses were $61.5 million for the Reporting Period, which increased versus the PCP. This was driven by leveraging the Shaq campaign across digital and offline channels during the Spring Racing Carnival as well as AFL and NRL finals, which drove cash active clients to increase by 22% against the PCP.
- United States Marketing – US marketing expenses were $162.6 million, an increase year on year reflecting the ongoing operations in existing states as well as launches into new states for both sports betting and iGaming.
- Canada Marketing – Canadian marketing expenses were $12.8 million for the Reporting Period following the launch of Canadian operations on 4 April in the Province of Ontario.
- Employee Benefits – expenses have increased as the Group continues to build a world class team across all areas of the business. Employees as at 30 June 2022 had grown 50% since 30 June 2021 with 627 Full Time Equivalent Employees across Australia, United States, Europe and Canada. In addition, PointsBet has also continued to utilise support staff which are engaged via third party service companies.

1. 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, B2B revenues post the acquisition of Banach Technology and ADW revenues in the US post the acquisition of Bet PTC.

- Product and Technology – during FY22, the Company launched operations in 4 US States and in Ontario, Canada. Thus, by the end of FY22 the Company was operational in Australia and 10 US states and in Ontario, Canada 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.
- Administration expenses – Administration expenses increased due to increased consulting, occupancy, travel and accommodation expenses as well as incidental costs as a result of increased headcount.

As a result of the Global significant investment, the Group recorded a statutory EBITDA loss of ($250.0) million for the Reporting Period, compared to a statutory EBITDA loss of ($162.3) million in the PCP.

REGIONAL OPERATIONS

AUSTRALIAN TRADING BUSINESS

POINTSBET AUSTRALIA – PCP PERFORMANCE (A$M)

KEY METRICS – SPORTS BETTING	FY22	FY21	CHANGE VS PCP
Turnover/Handle[1]	2,536.4	1,989.0	+28%
Gross Win Margin	13.3%	12.9%	+0.4pp
Gross Win[2]	338.4	257.3	+32%
Net Win Margin	8.5%	8.4%	+0.1pp
Net Win[3]	215.4	166.1	+30%
Net Revenue[4]	195.2	150.7	+30%

1. Turnover/Handle is the dollar amount wagered by clients before any winnings are paid out or losses incurred.
2. 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.
3. 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).
4. 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.

During the Reporting Period, Net Revenue for the Australian Trading business increased to $195.2 million from $150.7 million in the PCP, representing a 30% increase as the business continued to increase its client base, focused on client retention and rolling out improved and innovative product and technology enhancements. This strong performance demonstrates PointsBet's capability to disrupt and grow market share in a highly competitive environment.

FY22 saw an increase in the percentage of Turnover that was bet on the higher margin multi-bet product compared to the PCP.

PointsBet's improved product offering, user experience and brand equity has helped drive growth in Net Revenue and market share.

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 Victoria odds integration partner for the Spring and Autumn Racing Carnival coverage.

The positive momentum created off the back of H1FY22 marketing expense of $44.7 million, enabled the marketing expense to reduce to $16.8 million for H2FY22. The company delivered an Australian Trading Business EBITDA of $7.7 million for FY22.

PointsBet was pleased to announce that following the successful Shaquille O'Neal (Shaq) marketing campaign in FY22, the Australian business was able to secure Shaq for a further two years as an Australian brand ambassador.

The Company was also pleased to announce that Andrew Catterall joined as Australian CEO on 4 July 2022. Mr Catterall is the former CEO of Racing.com where he led the business through a major transformation in broadcasting, digital media, rights acquisition, audience development and commercial growth. Prior to Racing.com, Mr Catterall held senior leadership positions at Racing Victoria and the Australian Football League (AFL). PointsBet Australia remains well positioned to continue to expand its client base and to continue to grow.

UNITED STATES

POINTSBET UNITED STATES – FY22 PERFORMANCE (A$M)

KEY METRICS	ILLINOIS	NEW JERSEY	NEW YORK	MICHIGAN	COLORADO	PENNSYLVANIA	INDIANA	IOWA	VIRGINIA	WEST VIRGINIA	FY22	FY21	CHANGE VS PCP
Sports Betting Turnover/ Handle[1]	908.6	424.5	315.7	204.6	226.1	68.0	150.9	72.5	75.5	7.6	2,454.0	1,792.4	+37%
Sports Betting Gross Win Margin	6.3%	8.7%	5.6%	5.8%	5.5%	6.2%	5.6%	7.0%	5.5%	6.2%	6.5%	5.3%	+1.1pp
Sports Betting Gross Win[2]	57.5	36.9	17.7	11.8	12.4	4.2	8.5	5.1	4.2	0.5	158.7	95.8	+66%
Sports Betting Net Win Margin	3.6%	5.1%	4.0%	0.0%	1.4%	0.4%	1.2%	2.3%	0.8%	(2.8%)	3.0%	2.3%	+0.7pp
Sports Betting Net Win	32.4	21.9	12.5	0.1	3.2	0.3	1.9	1.7	0.6	(0.2)	74.1	40.9	+81%
iGaming Net Win	–	7.3	–	10.0	–	2.1	–	–	–	0.4	19.7	1.5	+1,247%
Total Net Win[3]	**32.4**	**29.1**	**12.5**	**10.0**	**3.2**	**2.4**	**1.9**	**1.7**	**0.6**	**0.1**	**93.9**	**42.3**	**+122%**

1. Turnover/Handle is the dollar amount wagered by clients before any winnings are paid out or losses incurred.
2. 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.
3. 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).

Note. At the end of the Reporting Period, the Company was live for online sportsbook in 10 US States and anticipate being live in 14 States by the end of FY23. As such, this will be the last reporting period in which we will report US State by State trading metrics.

POINTSBET UNITED STATES – ONLINE MARKET SHARE

BLENDED ONLINE HANDLE MARKET SHARE	ILLINOIS	NEW JERSEY	NEW YORK	MICHIGAN	COLORADO	PENNSYLVANIA	INDIANA	IOWA	VIRGINIA	WEST VIRGINIA
3.7%[1]	8.8%[2]	2.6%[3]	2.9%[4]	2.6%[5]	3.6%[6]	2.4%[7]	2.1%[8]	2.5%[9]	2.7%[10]	1.6%[11]

1. Blended online handle market share is the sum of PB USA online handle divided by sum of active states online handle for Q4FY22
2. Based on total Illinois online sports betting handle for Q4FY22 as reported by the Illinois Gaming Board.
3. Based on total New Jersey online sports betting handle for Q4FY22, as reported by the New Jersey Division of Gaming Enforcement.
4. Based on total New York sports betting handle for Q4FY22, as reported by the New York State Gaming Commission.
5. Based on total Michigan online sports betting handle for Q4FY22, as reported by the Michigan Gaming Control Board.
6. Based on total Colorado online sports betting handle for Q4FY22, as reported by the Colorado Department of Revenue – Division of Gaming.
7. Based on total Pennsylvania sports betting handle for Q4FY22, as reported by the Pennsylvania Gaming Control Board.
8. Based on total Indiana online sports betting for Q4FY22, as reported by the Indiana Gaming Commission.
9. Based on total Iowa online sports betting handle for Q4FY22, as reported by the Iowa Racing and Gaming Commission
10. Based on total Virginia sports betting handle for Q4FY22, as reported by the Virginia Lottery.
11. Based on total West Virginia online sports betting handle for Q4FY22, as reported by the West Virginia Lottery.

The US business achieved a sports betting Gross Win of $158.7 million during the Reporting Period, compared to $95.8 million for the PCP, with a sports betting Net Win of $74.1 million, compared to $40.9 million for the PCP. During the Reporting Period, PointsBet achieved an iGaming Net Win of $19.7 million compared to $1.5 million for the PCP.

Given PointsBet's increased investment in marketing to US$118.0 million during the Reporting Period (compared to the PCP), the US business saw Cash Active Clients during the 12 months to 30 June 2022 increase to 266,822 a 67% increase compared to the 12 months to 30 June 2021.

As a result of the increased investment in marketing and increased employee head count, the US business recorded a statutory EBITDA loss of ($197.5) million for the Reporting Period, compared to a statutory EBITDA loss of ($149.6) million in the PCP.

The US business's focus is aimed at ensuring every client acquired is capable of being revenue-generating. PointsBet's experienced customer intelligence and trading analytics teams are intensely focused on calculating the lifetime value of clients.

A number of optimisations were made during FY22, refining PointsBet's approach to tactical promotions with a focus on rewarding a higher value, engaged client cohort and gaining an improved share of wallet from this cohort.

On 13 August 2021, PointsBet agreed to provide Resorts World, a wholly owned subsidiary of Genting Group, with B2B mobile sports wagering services in the State of New York. This strategic B2B agreement should be viewed as an accretive and valuable partnership for the Company, but not indicative of a larger B2B strategy for PointsBet.

At present, PointsBet has live sports betting operations in the states of New Jersey, Iowa, Indiana, Illinois, Colorado, Michigan, West Virginia, Virginia, New York and Pennsylvania.

PointsBet has iGaming operations in Michigan, New Jersey, West Virginia and Pennsylvania.

PointsBet has assembled a highly experienced iGaming team which has built an in-house proprietary iGaming platform and administrative tools.

PointsBet's priority is to provide a fast and immersive client experience. The Company has licensed third-party iGaming content from premium content suppliers, including live-dealer solutions. PointsBet successfully launched live dealer in Michigan in November 2021, New Jersey in December 2021 and Pennsylvania in April 2022.

On 27 April 2022, PointsBet was recognised by eGaming Review (EGR) as the top sports betting operator at the EGR North America Awards 2022, marking the second consecutive year the company has won the award. The recognition follows PointsBet's notable exhibition of scale and growth, ability to innovate and differentiate, commitment to responsible gambling, quality of marketing, and quality of product.

NBC PARTNERSHIP UPDATE

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.

KEY HIGHLIGHTS FOR FY22 INCLUDE:

INTEGRATIONS

ENTIRE FOOTPRINT

NFL

- PointsBet and NBC developed the first ever sports betting integration inside Football Night in America (FNIA), a top rated TV program with an average of ~17 million viewers. The "PointsBet Pulse" segment was led by ambassadors Drew Brees and Chris Simms throughout the season, and featured PointsBet betting markets with analysis from Drew and Chris. The segment finishes by driving viewers to PointsBet's app, promoting immediacy ahead of game-time.
- This culminated with the PointsBet Pulse appearing during Super Bowl 56's pregame show, the first time a live odds integration occurred during Super Bowl pregame programming.
- This activation was further enhanced with a PointsBet branded ticker that ran throughout FNIA, informing viewers of the latest odds in real time for a number of markets for that night's game.
- PointsBet also had a weekly betting integration into Peacock's Sunday Night Football Final, a new postgame show that was developed for this season.

Golf

- In-round integrations have been featured across the Golf Channel since September 2021 and include live odds inside NBC Sports-built graphic packages throughout the entire tournament. This marked the first time an integration of this kind has been seen across the Golf Channel.
- PointsBet also became the title sponsor of 'Golf Today', Golf Channel's premier studio show that airs multiple times per week.

English Premier League (EPL)

- Live odds displayed at the start of the second half of select EPL games.
- 'Goal Summary' feature allowed for additional PointsBet branding to appear on screen when a goal was scored in select EPL games.
- Studio show activations such as displaying EPL futures (e.g. to win the league, to finish top four, Golden Boot) and a PointsBet branded ticker that featured live odds.

MLB (Sunday Leadoff on Peacock)

- Live odds displayed during pregame, in-game, and post-game of 18 MLB games during the 2022 season.
- With all games airing on Sunday morning/early afternoon, integrations occurred during a "standalone window" with no other live MLB action occurring at the same time.

Predictor Lead Generation

- Leads acquired directly from the free-to-play app, NBC Sports Predictor, exceeded 663,000 at the end of FY22. These are leads across all fifty states, providing PointsBet with both the opportunity to reach users in live states with sign up messaging and the chance to grow its leads base when launching in to future states.

SELECT MARKETS

NBA, MLB, NHL (Pregame, Halftime/Intermission, Postgame Integrations)

- The "Storylines Powered by PointsBet" series appeared during all pregame and postgame show coverage, with local RSN talent providing analysis for the upcoming game by leveraging odds and data powered by PointsBet.
- "Live Lines Powered by PointsBet" appeared during all NBA halftime and NHL intermission programs, displaying real-time, live odds for the game in progress.
- Content available in core markets Chicago (Bulls, White Sox, Blackhawks, Bears), Philadelphia (76ers, Phillies, Flyers, Eagles), Washington DC (Wizards, Capitals, WFT), and New York (Mets (SNY)).

MLB (RSN In-Game Integrations)

- After Major League Baseball lifted limitations of sportsbook promotion during in-game, where the largest audiences lie, PointsBet worked with NBC and SNY to include 2x odds integrations during every White Sox, Phillies, and Mets' games on their networks.
- The integrations have featured various game and player markets and help cement our focus on being the go-to-sportsbook for in-play betting.

NBA (RSN BetCasts)

- Across March and April 2022, PointsBet and NBC developed 4x betting-themed alternate cable TV broadcasts of Chicago Bulls games, showcasing PointsBet's various markets, sign up offers, and on-site promos with live updates throughout the entire game
- With games occurring against the Philadelphia 76ers and Washington Wizards, this allowed PointsBet to broadcast the BetCast experience in three core markets – (Chicago, Philadelphia, Washington DC) and six live states (Illinois, Indiana, Iowa, Pennsylvania, New Jersey, and Virginia).

David Kaplan Unfiltered

- Our David Kaplan Unfiltered sponsorship has provided PointsBet with another opportunity to reach bettors in our most important state, Illinois.
- Kaplan is a seasoned and well-regarded local talent, and his nightly program generally airs right before the Bulls, Blackhawks, or White Sox pre-game show. The timing is preferable, as our branding and odds are appearing at the time of day where we know bettors are researching and placing their bets. Each show includes a PointsBet-focused odds segment, and Head Trader, Jay Croucher, has become a regular guest.

Comcast Effectv Voice Activation

- PointsBet and Comcast have continued to optimize our Voice Activation TV commercials, which allow users to access an exclusive PointsBet sign up offer via their Comcast X1 voice remote.
- This year's iteration saw refreshed creative featuring spokesman Drew Brees instructing users to say, "PointsBet", into their remote to earn our headline offer: 2 Risk Free Bets up to $2,000.

GolfNow/GolfPass Co-Branded Campaign

- After a successful test campaign in 2021, PointsBet, GolfNow, and GolfPass continued to engage users with unique sign up offers.
- Our 2022 campaign offered new users free bets from PointsBet, tee time credits from GolfNow, and a year free of GolfPass+

PREDICTOR

Leads acquired directly from the free-to-play app, NBC Sports Predictor, exceeded 663,000 as at 30 June 2022. These are leads across all fifty states, providing PointsBet with both the opportunity to reach users in live states with sign up messaging and the chance to grow its leads base when launching in to future states.

CANADA

The company completed the first full quarter of operations in Ontario and is pleased with the overall performance to-date. Total sports betting Handle was $16.0 million in the quarter, with total Net Win at $0.2 million. The iGaming Net Win of $0.7 million more than offset the sports betting Net Win loss of $0.5 million. Cash actives were ~7,200. The company's overall financial performance was helped by having a casino offering live from Day 1 which served to stabilise some of the expected volatility in the sportsbook. On the sportsbook side, total Handle, Gross Win and Net Win all improved month-on-month throughout the quarter.

CORPORATE

Corporate administrative costs (Board, Finance, Legal, Human Resources, Property and other central functions) are costs 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 ($25.6) million. This can be attributed to an increase in employment benefits (including share based payment expenses) as a result of an increased headcount with respect to support staff. Start up costs incurred in Canada for H1 FY22 are also included in the Corporate segment.

GROUP BALANCE SHEET

As at 30 June 2022, PointsBet had $472.7 million of corporate cash, the majority of which is held in US Dollars.

A$M	STATUTORY AS AT 30 JUNE 2022	STATUTORY AS AT 30 JUNE 2021
Cash and cash equivalents	519.6	276.2
Intangible assets	212.5	142.5
Right-of-use assets	14.7	9.1
Prepayments	181.6	173.6
Deposits held in escrow	16.2	11.2
Other assets	16.5	11.8
Total assets	**961.1**	**624.4**
Lease liabilities	17.7	11.6
Trade and other payables	46.2	39.4
Player cash accounts	46.7	26.5
Financial liability	79.7	76.1
Contract liabilities	12.3	–
Other liabilities	22.1	22.7
Total liabilities	**224.7**	**176.3**
Net assets	**736.4**	**448.1**
Total equity	**736.4**	**448.1**

Cash and cash equivalents includes Client cash of $46.9 million (30 June 2021: $30.7 million).

At 30 June 2022, the Group had net assets of $736.4 million, representing a 65% increase on the PCP net assets of $448.1 million.

Net asset movements are driven primarily by:

- Cash received upon completion of the $400 million capital raise in August 2021 and $94 million capital raise from SIG in June 2022.
- Intangible Assets increased as a result of:
  - Investment in US licenses and market access, in particular a US$25 million payment to the New York Gaming Commission for market access to the State of New York and a US$11 million payment to the Pennsylvania Gaming Control Board for market access to the State of Pennsylvania.
  - Continued investment in the Company's betting platform through the capitalisation of technology and product employee costs.
- Contract liabilities includes an amount received as a partial New York license fee reimbursement from Resorts World Bet, a subsidiary of Genting Group, during the year, as part of the company's B2B Platform Provider agreement to power the Resorts World Bet online sportsbook operation in New York state. This amount will be recorded as revenue on a straight-line basis over the life of the agreement.
- Player cash accounts have increased as the Company was operational in Australia and 10 US states and in Ontario, Canada, and as a result of betting volumes increased.

GROUP STATEMENT OF CASH FLOWS

A$M	STATUTORY FY22	STATUTORY FY21
Receipts from customers (including GST)	328.2	210.2
Payments to suppliers and employees (including GST)	(541.2)	(349.2)
Net interest	0.2	0.3
Net increase/(decrease) in client cash	15.3	19.6
Net cash outflow from operating activities	**(197.5)**	**(119.1)**
Net cash outflow from investing activities	**(93.2)**	**(77.8)**
Net cash inflow from financing activities	**515.3**	**339.4**
Net effect of exchange rate changes	**18.8**	**(10.7)**
Net cash flows	**243.4**	**131.8**

At 30 June 2022 The Group had a cash balance of $519.6 million, including $46.9 million of client cash.

- Net operating outflows excluding movement in player cash accounts was ($212.8) million. Whilst revenue grew 52% vs the PCP, cash outflows increased as a result of an increased number of jurisdictions which we operate, as well as additional costs as we continue to scale operational capabilities. Total cash receipts from customers were $328.2 million which included $309.4 million from Sportsbook and iGaming Net Win. The balance $18.8 million includes cash receipts from PointsBet European B2B operations, US Advance Deposit Wagering (horseracing ADW) business and receipts related to the New York B2B Platform provided to Resorts World Bet.
- Net investing outflows were ($93.2) million driven by continued investment in US licenses and market access as well as the Company's continued investment in the development of the betting platform.
- Net financing inflows were $515.3 million in line with capital raising in August 2021 and June 2022.

RISKS

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS

Identifying and managing risks which may affect the success of the company's strategy and financial prospects for future years is an essential part of the company's governance framework. While the Group has a strong track record of managing a multitude of risks, some inherent risks remain, many of which are not directly within the control of the Group.

The company's risk management approach involves the ongoing assessment, monitoring and reporting of risks which could impede the company's progress in delivering the company's strategic priorities. As the business continues to grow the material business risk profile continues to evolve.

The key risks affecting the Group are set out below. The Group may also face a range of other risks from time to time in conducting its business activities.

COVID-19

The outbreak of the novel coronavirus (COVID-19), a virus causing potentially deadly respiratory tract infections, presents an emerging risk for the Company. Efforts to date to contain the effect of COVID-19 have included travel restrictions, restrictions on public gatherings, closure or severe restriction of certain business activities and, in some locations, restrictions on individuals leaving their homes. These efforts are tied to instances of COVID-19 case numbers in each jurisdiction and may intensify further where the COVID-19 outbreak in that jurisdiction continues to grow.

COVID-19 containment measures to date have, amongst other things, negatively affected economic conditions, caused a reduction in consumer spending and had a significant impact on the Company's operations.

RESTRICTIONS AND IMPACT ON SPORTING EVENTS

Since the initial outbreak, various sporting events in multiple countries, including in the United States and Australia, have been cancelled, postponed or dramatically restructured and in some cases large public gatherings have been banned. These changes have impacted customers' use of PointsBet's products and services, and, in some cases, in particular in the United States, the disruptions to sporting events have impacted revenues compared to pre COVID-19 expectations.

While most sporting activities have resumed, a return of the virus could significantly impact the Company's business, and may materially impact its financial condition and results of operations depending on the length of time that these disruptions exist and whether sports seasons and sporting events are ultimately be suspended, postponed, or cancelled.

OTHER IMPACTS

In addition to the above, COVID-19 may impact the Company in a variety of other areas. In particular, while the Company has taken prudent steps to protect its global staff, including moving to a work from home environment and prohibiting non-essential travel, if a large number of employees and/or a subset of key employees and executives are impacted by COVID-19, the Company's ability to continue to operate effectively may be negatively impacted.

The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the Company cannot predict the full impact it may have on its end markets and operations at this time. However, the effect on the Company's financial performance and results could ultimately be material and adverse.

THE WAGERING INDUSTRY IS HIGHLY REGULATED

The provision of wagering services is subject to extensive laws, regulations and, where relevant, license conditions (Regulations) in most jurisdictions. The Regulations vary from jurisdiction to jurisdiction but typically address the responsibility, financial standing and suitability of owners, Directors and operators, marketing and promotional activity, the jurisdictions where an operator is permitted to undertake its business, the use of personal data and anti-money laundering laws. In addition, compliance costs associated with Regulations are material.

CHANGES TO REGULATIONS

Many of the Regulations are subject to change at any time and regulatory authorities may change their interpretation of the Regulations at any time, which may prohibit, restrict or further regulate the Company's operations in the future. Any changes to Regulations may result in additional costs or compliance burden. Some aspects of compliance may be outside the control of the Company.

BREACH OF REGULATIONS

Failure by the Company to comply with relevant Regulations may lead to penalties, sanctions or ultimately the revocation of relevant operating licenses and may have an impact on licenses in other jurisdictions. Further, any regulatory investigations or settlements could cause the Company to incur substantial costs (either by way of fines and penalties or as a result of successful customer claims), or require it to change its business practices in a manner materially adverse to its business.

REGULATIONS DIFFER ACROSS JURISDICTIONS

The regulation of the wagering industry varies from jurisdiction to jurisdiction, from open regimes to license-based regimes to complete illegality. In addition, the regulation of online wagering is subject to the determination of where online sports betting takes place and which jurisdiction has authority over the activities and participants.

The Company is currently operating in multiple jurisdictions and seeks to expand its operations in more jurisdictions. Accordingly, as the Company grows it will be subject to a wide range of different and at times conflicting Regulations in each jurisdiction, together with potential uncertainty around the application of laws. This is expected to place an increased burden on the Company and its compliance, administration and technology functions.

If the Company is not successful in managing this increased burden, or if the Company's assessment of an area of legal uncertainty is found to be incorrect, the Company may breach a license condition or applicable law, which could result in penalties, sanctions or ultimately the revocation of relevant operating licenses.

UNITED STATES-SPECIFIC REGULATORY RISKS

The Company's growth strategy includes expansion overseas, and in particular into the developing wagering industry in the United States.

The striking down by the United States Supreme Court of the Professional and Amateur Sports Protection Act of 1992 on 14 May 2018 paved the way for individual states to introduce legislation permitting sports betting. Each state may now introduce their own regulatory and licensing frameworks, however:

- there is no guarantee that states will move to legalise wagering; and
- the timing of any enabling legislation or regulations, and the issuance of licenses, cannot be assessed with any certainly in states that do move to legalise wagering.

There is also a risk that some states will delay legislation or impose significant barriers to entry (such as restricting the number of permitted sports betting operators or limiting sports betting operations to retail premises) which may preclude the Company from gaining access to those states or place the Company at a disadvantage should competitors gain early access.

In addition, should enabling legislation be enacted, there is a risk that the Company may be unable to secure a commercial license to operate in a state because the Company is unable to find or agree commercial terms with a suitable license holder (typically casino or racetrack owners).

THE COMPANY IS EXPOSED TO ADVERSE CHANGES IN PRODUCT FEES, LEVIES AND TAXES

The Company has commercial and regulatory payment obligations in the jurisdictions in which it operates. These obligations may be owed to a particular sporting body as "product fees" (for example, horse racing conducted in an Australian jurisdiction), payable under a commercial or statutory license, or otherwise imposed by law as a tax, levy or fee. Any adverse changes to the Company's commercial and regulatory payment obligations, or the imposition of new levies, taxes or other duties or charges in any of these jurisdictions could materially and adversely affect the operations, financial performance and prospects of the Company.

SYSTEM DISRUPTIONS AND OUTAGES

The integrity, reliability and operational performance of the Company's IT systems and third-party communication networks are critical to its operations. These IT systems and communication networks may be damaged or interrupted by increases in usage, human error, systems outages and failures, cyber-attacks, natural hazards or disasters, or similarly disruptive events. The Company's current systems may be unable to support a significant increase in online traffic or increased customer numbers, especially during peak times or events.

Like other wagering operators, the Company has experienced instances of service disruption. Any material or persistent failure or disruption of the Company's IT infrastructure or the telecommunications and/or other third-party infrastructure and services on which such infrastructure relies could lead to significant costs and disruptions that could reduce revenue, harm the Company's business reputation and have a material adverse effect on the operations, financial performance and prospects of the Company.

CYBER SECURITY RISKS

The Company's IT systems and networks, and those of its third-party service providers, may be vulnerable to cyber-attacks, unauthorised access, computer viruses and other security issues. These events could damage the integrity of the Company's reputation and business.

Any failure by the Company to detect and prevent any intrusion or other security breaches, including sabotage, hackers, viruses, and cyberattacks, could have a material adverse effect on the operations, financial performance and prospects of the Company.

THE COMPANY MAY REQUIRE ADDITIONAL CAPITAL TO FUND ITS GROWTH PLANS

The Company is likely to require additional capital in order to support and implement its growth plans. The Company's ability to obtain additional capital, if and when required, will depend on its business plans, investor demand, the capital markets and other factors. If the Company is unable to obtain additional capital when required, or is unable to obtain additional capital on satisfactory terms, its ability to continue to support its business growth or to respond to business opportunities, challenges or unforeseen circumstances could be adversely affected.

CARD PAYMENT RISKS

Some clients may have difficulty making deposits into their PointsBet account due to specific policies by card issuers and banks to not allow gambling transactions, or to restrict transactions from merchants such as PointsBet whose main business is conducted online. If clients have difficulty making deposits into their PointsBet account and are unable or unwilling to deposit funds using alternative methods, this could result in lower turnover for PointsBet.

POINTSBET RELIES ON THIRD-PARTY SERVICE PROVIDERS FOR KEY BUSINESS FUNCTIONS

The Company relies upon various third-party service providers to maintain continuous operation of its Platform, servers, hosting services, payment processing, and various other key aspects of its business including the pricing and availability of its products.

There is a risk that these services and systems may be adversely affected by various factors such as damage, faulty or aging equipment, systems failures and outages, computer viruses, or misuse by staff or contractors. The Company may also have disputes with its service providers for a range of reasons, which could lead to service disruptions until the dispute is resolved or a new service provider is engaged. Any disruption to third-party services may result in a disruption to the Company's services and have a material impact on the Company's operations.

RISK OF FRAUD

Wagering operators are exposed to schemes to defraud and there is a risk that the Company's products may be used for those purposes by its clients or employees. In these circumstances, the Company has a high degree of reliance on its employees.

While the Company has systems in place to protect against fraudulent play and other collusion between clients and employees, these systems may not be effective in all cases. This may require the Company to make unanticipated additional investments in its systems and processes.

If the Company suffers any fraudulent activities, the Company's business, performance, prospects, value, financial condition, and results of operations could be adversely affected.

ANTI-MONEY LAUNDERING

The wagering industry is exposed to schemes to launder money illegally and there is a risk that the Company's products may be used for those purposes by its clients or employees.

In addition, the Company's activities are subject to money laundering regulations and anti-corruption laws, which may increase the costs of compliance, limit or restrict the Company's ability to do business or subject the Company to civil or criminal actions or proceedings.

RISKS RELATING TO THE MISUSE OR LOSS OF PERSONAL INFORMATION

The Company processes personal customer data and therefore must comply with strict data protection and privacy laws in Australia and other jurisdictions. The Company is exposed to the risk that this data could be wrongfully accessed and/or used, whether by employees, customers or other third parties, or otherwise inadvertently lost or disclosed or processed in breach of applicable data protection regulations. If the Company or any of the third-party service providers on which it relies fails to transmit customer information and payment details online in a secure matter or if a misuse or loss of personal customer data were to occur, the Company and its officers could face fines or penalties. This could also give rise to reputational damage to the Company and its brand.

INABILITY TO MANAGE EXPECTED FUTURE GROWTH

The Company has experienced and expects to continue to experience rapid growth, which has placed, and may continue to place, significant demands on its management, operational and financial resources. As the Company grows, it may encounter capacity constraint issues and more resources will be required to manage growth initiatives. If the Company fails to successfully manage its anticipated growth and change, the quality of its products may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract customers.

RELIANCE ON KEY PERSONNEL

The Company depends on the services of the management team as well as its technical, operational, marketing and management personnel.

Competition for suitably qualified personnel, including computer programmers and developers, is intense, and the Company cannot provide assurance that it will be able to attract or retain highly qualified personnel in the future.

If the Company is not able to retain its key employees and hire appropriate new employees, it may not be able to operate and grow it business as planned.

EXCHANGE RATE FLUCTUATIONS MAY IMPACT EARNINGS

PointsBet's financial reports are prepared in Australian dollars however a proportion of PointsBet's revenues, costs and cash flows are generated in United States dollars. The proportion of overseas revenues, costs and cashflows generated by the Company is expected to grow and the Company will be exposed to additional currencies as it enters new markets.

Any adverse exchange rate fluctuations or volatility in the currencies in which PointsBet generates its revenues and cash flows, and incurs its costs, would have an adverse effect on the Company's future performance and position.

CORPORATE GOVERNANCE STATEMENT

for the 12 months ended 30 June 2022

INTRODUCTION

OUR APPROACH TO CORPORATE GOVERNANCE

The Board of PointsBet Holdings Limited (Company) is committed to maintaining high standards of effective corporate governance arrangements to help create, protect and enhance shareholder value and ensure the future sustainability of the Company.

The Company's governance framework provides a solid structure for effective and responsible decision making and setting a culture of integrity, transparency and accountability that flows throughout the Company.

ASX CORPORATE GOVERNANCE PRINCIPLES

The Company confirms it has followed the majority of the ASX Corporate Governance Council Principles and Recommendations 4th Edition (ASX Principles) during the 2021/22 financial year.

This Corporate Governance Statement sets out key features of the company's governance framework. The areas of compliance and non-compliance (and the reasons for such non-compliance) with the ASX Principles are set out below.

The information in this statement is current as at 31 August 2022 and has been approved by the Board.

2021/2022 AREAS OF GOVERNANCE FOCUS

During the year, the Board provided strategic guidance and effective oversight of management in its implementation of PointsBet's objectives and instilling its values and desired culture.

SUSTAINABILITY

- Continued risk-based identification of environment, social and governance (ESG) priorities, including governance, responsible gambling, data security and privacy, culture and community.
- Oversight of sustainability initiatives to ensure they are adequate to deliver progress against the Group's priorities, with Board participation where appropriate.
- Recognising that the Board, together with management, has a critical role in supporting responsible gambling at PointsBet, ongoing Board education in this area is provided as part of the Board's education and professional development calendar.

CULTURE

- Ongoing oversight of PointsBet's desired culture by leveraging data and analytics provided through a range of resources including the company's employee culture and engagement surveys and insights platform.

RISK MANAGEMENT

- Ongoing review and enhancement of risk management frameworks and governance to support achievement of business objectives.
- Continued focus on the health, safety and environment (HSE) risk management framework with global and regional business resilience teams co-ordinating and overseeing the Group's ongoing response to the COVID-19 pandemic.

COVID-19 also prompted the Board to revisit its meeting cadence and structures, including meeting on a more frequent basis (and via virtual technology) in order to oversee and monitor the Group's COVID-19 response plans.

1. THE BOARD

1.1 THE ROLE OF THE BOARD

The Board has adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged. The Board Charter includes an overview of:

- the Board's composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management;
- the authority delegated by the Board to management and Board Committees; and
- the Board's process.

The Board's role is to:

- demonstrate leadership and to represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;

- protect and optimise the Company's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board, together with the Remuneration and Nomination Committee, determines the size and composition of the Board.

A copy of the Board Charter is available in the Governance section of the Company's website https://investors.pointsbet.com.au/.

1.2 CEO AND DELEGATION TO MANAGEMENT

The Board has authorised the CEO to oversee the day-today business and operations, within the limits of specific authorities set out in the delegations approved by the Board.

The CEO has, in turn, approved sub-delegations of authority that apply to management. The CEO is accountable to the Board for the authority that is delegated by the Board.

The Board monitors the decisions and actions of the CEO and the Group's progress on achieving the short, medium and long-term objectives as set by the Board.

1.3 BOARD COMPOSITION AND SKILL SET

As at 30 June 2022, the Board comprised four (4) independent Non-Executive Directors, one (1) non-independent Non-Executive Director and two (2) Executive Directors.

The names of the Directors and their respective qualifications, experience and responsibilities are set out in the Directors' Report within the Annual Report.

Members of the Board have been brought together to provide a blend of qualifications, skills and experience required for managing a company operating in the wagering industry.

The following table sets out the mix of skills and experience the Board considers necessary or desirable and the extent to which they are represented on the current Board:

SKILLS AND EXPERIENCE	NUMBER OF DIRECTORS WITH THE EXPERIENCE
Executive leadership Significant experience at a senior executive level	Extensive 5, Moderate 1, Limited 1
Capital management and corporate Senior experience in capital management strategies and corporate finance	Extensive 3, Moderate 2, Limited 2
Global business experience International business experience	Extensive 3, Moderate 3, Limited 1
Risk management Senior experience in risk management	Extensive 3, Moderate 3, Limited 1
Corporate governance, legal and regulatory Commitment to the highest standards of corporate governance and legal compliance, including experience with an organisation that is subject to rigorous governance and regulatory standards	Extensive 4, Moderate 3
Digital technology Senior experience in technology, especially in digital, software or computer industries and oversight of implementation of major technology projects	Extensive 4, Moderate 2, Limited 1
Wagering Senior executive or Board level experience in the gaming industry, including an in-depth knowledge of product and markets	Extensive 4, Moderate 2, Limited 1

■ Extensive Experience ■ Moderate Experience ■ Limited or In-Direct Experience

1.4 DIRECTOR INDEPENDENCE

All Directors, whether independent or not, are expected to bring an impartial judgement to bear on Board decisions and are subject to the Board's policy regarding management of conflicts of interest, as well as common law and Corporations Act requirements.

The Board considers a Director to be independent where he or she is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

The Nomination and Remuneration Committee will assess the independence of each Non-Executive Director in light of interests disclosed by them at least annually on a case-by-case basis. Each Non-Executive Director must provide the Board with all relevant information for this purpose.

The Company's Board Charter sets out guidelines and thresholds of materiality to assist in considering the independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that Peter McCluskey, Anthony Symons, Becky Harris and Kosha Gada are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment and is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Brett Paton, Sam Swanell and Manjit Gombra-Singh are not currently considered by the Board to be independent Directors given:

- in the case of Sam Swanell and Manjit Gombra-Singh, their executive positions in the Company; and
- in the case of Brett Paton, his ownership interest in the Company.

The Board considers that each Director will add significant value given their considerable skills and experience and will bring objective and independent judgement to the Board.

1.5 NON-EXECUTIVE DIRECTOR SELECTION

The Board adopts a structured approach to Board selection planning. This process is continuous and the Board regularly evaluates and reviews its selection planning process to ensure the progressive and orderly addition of independence and appropriate skills.

Before a candidate is nominated by the Board, the candidate must confirm that they will have sufficient time to meet their obligations to the Company and that they expect to meet all wagering regulatory approval conditions.

An election of directors is held each year. Any new Non-Executive Director nominated during the year is known as a Director (Elect) and will stand for election by shareholders at the subsequent AGM.

Shareholders are asked to approve the appointment of the Director (Elect) subject to the receipt of all necessary regulatory pre-approvals. Until the receipt of all necessary regulatory pre-approvals, a Director (Elect) may attend all meetings of the Company but will have no entitlement to vote on any resolutions proposed at any meeting of the Board or any committee.

1.6 BACKGROUND AND REGULATORY CHECKS

The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Non-Executive Director (including whether Directors support the election or re-election), is disclosed in the notice of meeting provided to shareholders.

Non-Executive Director candidates are also invited to address the meeting and provide details of the relevant qualifications, experience and skills they bring to the Board.

As the Company operates in a highly regulated environment and is required to be licensed by gaming regulatory authorities, the Company undertakes comprehensive background checks prior to the appointment of a new Non-Executive Director or senior executive to demonstrate that the individual is suitable to be associated with the wagering and gaming industry.

Non-Executive Directors and certain senior executives are required to be licensed in various jurisdictions.

Background checks include employment, criminal history, bankruptcy and disqualified company director and officer checks. In addition, gaming regulators conduct detailed background investigations on Non-Executive Directors and senior executives, requiring them to disclose historical and current personal and financial information and records and participate in interviews.

The process for applying for gaming licenses is lengthy, complex and time-consuming and there is an ongoing obligation to keep the regulators notified of any material changes, such as a change of address or purchase of new property within the timeframe required by the regulator.

As a result, Non-Executive Directors and certain senior executives are required to provide financial statements and other requested records on regular intervals to the Company's licensing team to ensure ongoing regulatory requirements are fulfilled (which includes the renewal of licenses and compliance with conditions of their licenses).

1.7 APPOINTMENT TERMS

New Non-Executive Directors receive a letter of appointment and a deed of access and indemnity. The letter of appointment outlines the Company's expectations of Non-Executive Directors with respect to their participation, time commitment and compliance with the Company's policies and regulatory requirements.

Each senior executive enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Key contract details of those senior executives who are Key Management Personnel (KMPs) are summarised in the Remuneration Report within the Annual Report.

1.8 INDUCTION AND ONGOING PROFESSIONAL DEVELOPMENT OPPORTUNITIES

New Non-Executive Directors joining the Board participate in an induction program (which includes meeting with the Chair and senior executives) and are provided with the Director's Handbook. Given the geographic diversity of the Board and Group operations, induction for US based Non-Executive Directors include specific sessions targeted to Australian corporate governance.

Recognising the importance of providing continuing education, Non-Executive Directors can take part in a range of training and continuing education programs. The Board periodically reviews whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Non-Executive Directors also receive regular business briefings at Board meetings on each area of the Company's business, in particular regarding performance, key issues, risks and strategies for growth in the United States.

In addition, Non-Executive Directors have unfettered access to members of the Executive Leadership Team (ELT) and are encouraged to meet with the ELT to further their knowledge and understanding of the Company's businesses.

Non-Executive Directors are also encouraged and given the opportunity to broaden their knowledge of the business by visiting offices in different locations.

1.9 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Directors are entitled to the following:

- Unrestricted access to employees and records, subject to law.
- Independent professional advice at the Company's expense, where reasonable and necessary to fulfil their duties and subject to prior consultation with the Chairman, and for the Chairman, with the Chair of the Audit Committee.

1.10 THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chairman, for the proper functioning of the Board and facilitating the Company's corporate governance processes.

Each Director is entitled to access the advice and services of the Company Secretary. In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole.

Details of the Company Secretary are set out in the Director's Report within the Annual Report.

2. BOARD COMMITTEES

The Board may from time to time establish committees to streamline the discharge of its responsibilities. The permanent standing committees of the Board are the Audit, Risk and Compliance Committee and the Remuneration and Nomination Committee and the Disclosure Committee.

The Board may also delegate specific functions to ad hoc committees on an "as needs" basis. Directors are entitled to attend Board Committee meetings and receive Board Committee papers, and the Chair of each Board Committee will report back on committee meetings at Board meetings.

A copy of each Committee Charter is available in the Governance section of the Company's website at https://investors.pointsbet.com.au/

2.1 AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee comprises four members, all of whom are Non-Executive Directors, and it is chaired by an independent Director who is not the chair of the Board.

The Audit, Risk and Compliance Committee comprises a majority of independent Directors.

The Board considers that Brett Paton (a non-independent, Non-Executive Director) on the Audit, Risk and Compliance Committee will bring the desired skills and qualifications required to effectively assist the Board in matters relating to the Company's audit, risk and compliance functions.

In particular, the Board considers that Brett Paton will add significant value to the Board given his qualifications and extensive experience in the finance industry. The Board considers that Brett Paton will bring objective and independent judgement to his role on the Audit, Risk and Compliance Committee.

All members of the Audit Committee are financially literate, and the committee possesses sufficient financial expertise and knowledge of the industry in which the Group operates.

Members of the Group's external audit firm and Internal Audit and Risk teams attend committee meetings by invitation, together with relevant senior executives.

The Audit, Risk and Compliance Committee assists the Board in discharging its duties in relation to oversight of financial risk management of the Group, the integrity of the Group's financial reporting, effectiveness of the Group's systems of risk management and internal controls, the independence, objectivity and competence of the external and internal auditors, and compliance with legal and regulatory obligations.

The Audit, Risk and Compliance Committee Charter includes a more detailed description of the duties and responsibilities of the committee.

2.2 REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nomination Committee comprises four Directors, all of whom are Non-Executive Directors, and it is chaired by an independent Director who is not the chair of the Board.

The Board considers that Brett Paton (a non-independent, Non-Executive Directors) on the Remuneration and Nomination Committee will bring the desired skills and qualifications required to effectively assist the Board in matters relating to remuneration and succession planning.

The Board considers that Brett Paton will bring objective and independent judgment to his role on the Remuneration and Nomination Committee.

The role of the Committee is to assist and advise the Board on:

- Group's people strategy, diversity and organisational culture;
- Board succession planning generally;
- succession planning for the Group CEO and other direct reports to the Group CEO;
- the development and implementation of a process for evaluating the performance of the Board, its Committees and Directors;
- the appointment and re-election of Directors, with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

The Committee also assists and advises the Board on remuneration policies and practices for the Board, the Group CEO, senior executives and other persons whose activities, individually or collectively, materially affect the operations of the Company. The Committee also provides recommendations regarding remuneration-related reporting in the Company's financial statements and remuneration reports.

Non-Committee members, including members of management, may attend meetings of the Committee at the invitation of the Committee Chair.

3. PERFORMANCE EVALUATION AND REMUNERATION

3.1 BOARD PERFORMANCE EVALUATION PROCESS

The Board (with assistance, where necessary or appropriate, from external consultants) regularly carries out a review of the performance of the Board, its committees, and each Director. A Board review was undertaken internally during the Reporting Period.

The review will assess, amongst other things:

- The effectiveness of the Board and each committee in meeting the requirements of their Charters;
- Whether the Board and each committee has members with the appropriate mix of skills and experience to properly perform their functions;
- The contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and
- Whether the content, format and timeliness of agendas, papers and presentations provided to the Board and each committee are adequate for them to properly perform their functions.

The results and any action plans following the assessment are documented, together with specific performance goals that are agreed by the Board.

Directors are encouraged to raise any issues of concern regarding the performance of any other Director with the Chairman, or if the concern relates to the Chairman, with the Chair of the Audit, Risk and Compliance Committee.

3.2 SENIOR EXECUTIVE PERFORMANCE EVALUATION PROCESS

Each year the Board sets financial, operational, management and individual targets for the Group CEO. The Group CEO (in consultation with the Board), in turn sets targets for his direct reports.

Performance against these targets is assessed periodically throughout the year and a formal performance evaluation for senior management is completed for the year end.

Further details are set out in the Remuneration Report contained within the Annual Report. Performance evaluations of the Group CEO and his direct reports took place in the 2021/22 financial year in accordance with the processes described above.

3.3 REMUNERATION

Details of the principles and amounts of remuneration of Directors and senior executives who are KMP are set out in the Remuneration Report contained within the Annual Report, which also includes disclosures on equity-based remuneration provided by the Company.

4. RECOGNISING AND MANAGING RISK

4.1 RISK OVERSIGHT

The Board recognises the importance of an effective framework of risk oversight, risk management and internal control for good corporate governance.

As set out in Section 2.1 above, the Company has established an Audit, Risk and Compliance Committee which encompasses risk matters.

4.2 ANNUAL RISK REVIEW

The Board is responsible for the oversight and management of risk, including the identification of material business risks on an ongoing basis and will be assisted by the Audit, Risk and Compliance Committees where required.

A review of material business risks has been conducted in the current period, which concluded that controls over risk management processes were adequate and effective.

4.3 INTERNAL AUDIT

Independent and objective assurance with respect to the Company's system of risk management, internal control and governance are provided by the Group Internal Audit function. The function maintains and improves the risk management framework, undertakes audits and other advisory services to assure risk management across the Company and reports to the Audit, Risk and Compliance Committee.

Group Internal Audit is independent of the external auditor. The appointment of the VP, Internal Audit is approved by the Audit, Risk and Compliance Committee. The VP, Internal Audit reports functionally to the Group General Counsel and Company Secretary.

Group Internal Audit adopts a risk-based approach in developing annual internal audit plans to align audit activities to the key risks and control frameworks across the Company.

In addition to internal audit activities conducted by Group Internal Audit, audit, review, oversight and monitoring activities are undertaken across the business to provide a breadth of assurance. The findings from these assurance activities are reported through operational governance structures and to the relevant Board Committee.

4.4 AUDITOR INDEPENDENCE

The Group's policy on auditor independence restricts the types of non-audit services that can be provided by the external auditors. In addition, any non-audit services which are to be provided by the external auditors need to be pre-approved by the Chair of the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee requires the external auditor to confirm annually that it has complied with all professional regulations. The Group requires the lead external audit partner to rotate every five years.

RSM continues in office as the Company's auditor during the Reporting Period. RSM is engaged on low value assignments additional to their statutory audit duties where RSM's expertise and experience with the Group are important. These services are not recurring. Any future non-audit services are expected to be at lower levels.

4.5 SUSTAINABILITY RISKS

The Company has determined there is a level of exposure to economic risk and the impact of economic conditions upon the Company may be either specific, or of a more general nature.

Economic downturns may have an adverse impact on the Company's operating performance as a result of reduced wagering activity. Other factors include general outlook for economic growth and its impact on confidence.

The Group continues to actively monitor and manage all perceived economic risks to the business through monitoring the financial, economic and industry data available to the Company from internal and external sources.

For further information relating to the Company's exposure to various financial risks, with explanations as to how this impacts the Company please refer to the Notes to the Consolidated Financial Statements: Risk section.

The Group has no material exposure to environmental sustainability risks.

4.6 INTEGRITY OF DISCLOSURES IN PERIODIC REPORTS

The Company produces a number of periodic corporate reports, including the annual Directors' Report, Corporate Governance Statement and half year and full year financial statements and quarterly Appendix 4Cs.

There are various processes in place to review and confirm the accuracy and reasonableness of the disclosures contained in those reports, which are tailored based on the nature of the relevant report, its subject matter and where it will be published. However, the Company seeks to adhere to the following general principles with respect to the preparation and verification of its corporate reporting:

- periodic corporate reports should be prepared by, or under the oversight of, the relevant subject matter expert for the area being reported on;
- the relevant report should comply with any applicable legislation or regulations;
- the relevant report should be reviewed (including any underlying data) with regard to ensuring it is not inaccurate, false, misleading or deceptive;
- where required by law or by Group policy, relevant reports authorised for release by the appropriate approver required under that law or policy; and
- the external auditor audits or reviews the Group's full and half-yearly financial reports, respectively, in accordance with auditing standards ahead of release to the market.

The CEO and CFO also provide the Board with written declarations in relation to half year and full year financial statements as described in Section 4.7 of this Corporate Governance Statement.

Finally, the Board has established a Management Disclosure Committee comprising of the CEO, CFO and the Group General Counsel and Company Secretary to which it has delegated responsibility for overseeing the process for ensuring all ASX announcements are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

4.7 MD AND CFO CERTIFICATION OF FINANCIAL STATEMENTS

The Managing Director and Group Chief Financial Officer provide a statement to the Board and Audit, Risk and Compliance Committee in advance of seeking approval of any financial report to the effect that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

In accordance with the above, the Board has received a written assurance that the declaration provided under section 295A Corporations Act is based on a sound system of internal control and risk management, which is operating effectively in all respects in relation to material business risks and financial reporting.

5. COMMUNICATION WITH SHAREHOLDERS

5.1 PUBLICLY AVAILABLE INFORMATION ACCESSIBLE ON WEBSITE

The Company keeps investors informed of its corporate governance, financial performance and prospects via its website, https://investors.pointsbet.com.au/

5.2 INVESTOR RELATIONS PROGRAMS

The Company conducts regular briefings including interim and full year results announcements and quarterly cash flow updates (Appendix 4C) in order to facilitate effective two-way communication with investors and other financial markets participants.

Access to executive and operational management is provided at these events. Additionally, separate one-on-one and/or small group meetings are provided when requested and in compliance with governance parameters set by the Company. The Company recommends all investor meetings are attended by at least one of the following: Chairman, CEO or CFO.

Pending resourcing and availability, the Company prefers to have a minimum of two executives attend most investor meetings.

The Company's objective is to provide best practice disclosure and comply with all applicable laws and Group policies. Therefore all discussions with analysts and investors are conducted by or with the prior approval of the CEO, or CFO and are limited to an explanation of previously published material and general discussion of non-price sensitive information, including relevant industry insights. Any new and substantive investor or analyst presentations are released to ASX in advance of the presentation.

Unless authorised by the CEO or CFO, meetings with analysts will not be held between the end of the half-year or full-year and the date on which those results are announced. Any meetings during this period are strategic in nature only, with no financial questions specific to the pending result addressed.

5.3 FACILITATE PARTICIPATION AT MEETINGS OF SECURITY HOLDERS

Shareholders are encouraged to attend the Company's Annual General Meeting and to ask questions of Directors. The notice of meeting includes a process to enable shareholders to submit questions to the Board and the Company's auditor prior to the meeting.

The Company's external auditor attends the Annual General Meeting of the Company and is available to answer questions from shareholders about the conduct of the audit and the preparation and content of the Audit Report.

Voting on resolutions set out in the Notice of AGM is conducted by way of a poll.

5.4 FACILITATE ELECTRONIC COMMUNICATION

The Company provides its investors the option to receive communications from, and send communications to, the Company and the share registry electronically.

6. DIVERSITY

The Company recognises its legal and ethical obligations and is committed to promoting and achieving broader diversity across the Company as part of its sustainability strategy.

The Group's workforce is made up of individuals with diverse skills, values, background and experiences and employs more than 600 people globally.

The Company's Diversity Policy is disclosed on the Company's website and sets out its objectives and reporting practices regarding diversity.

The Remuneration and Nominations Committee continues to review and report to the Board on the Company's diversity profile with a view to setting meaningful targets for the advancement of diversity within the Company.

The Board's review process has been specifically focused on Board's gender diversity. The Board has adopted a measurable objective of maintaining not less than 30% of Directors of each gender. As at 30 June 2022, 2 of the 5 Non-Executive Directors (40%) are female and 2 of the 7 total Directors (29%) are female.

In addition, the following diversity-related measurable objective supporting gender diversity has been endorsed by the Board for FY2021/22:

- Increase the number of women in the 'Leadership Group'[1], comprising the Board, Executive Roles[2] and Senior Management Roles[3] .

The following information is provided about the proportion of women across the Group as at 30 June 2022 noting that total FTE was 627:

ITEM	MEN	WOMEN
Total employees	521	124
%	82%	19%
Employees in Senior Management Roles	61	14
%	81%	9%
Board Members	5	2
%	71%	29%

The Company has achieved its FY22 measurable objectives by increasing the number of women in the Leadership Group from 9 as at 30 June 2021 to 16 as at 30 June 2022.

However, the Board acknowledges that the Company at its current stage of development does not presently demonstrate best practice in terms of diversity of the Board and Management team. This is a focus area for improvement over the next 12 months and beyond.

7. GOVERNANCE POLICIES

7.1 MISSION STATEMENT AND VALUES

The Company's mission statement is "*Bringing you the fastest betting experience in the world*".

Underpinning that mission statement is a shared set of values that guide and inspire the Company's employees: Courage, Integrity, Commitment and Passion.

More information about the company's mission statement and values are available in the Culture & Careers section of the Company's website: https://careers.pointsbet.com.au/

7.2 POINTSBET GOVERNANCE POLICIES

Details of the Company's Governance Policies are summarised below.

These Policies are available in the Governance section of the Company's website: https://investors.pointsbet.com.au/.

7.2.1 CONTINUOUS DISCLOSURE POLICY

The Company has adopted a Continuous Disclosure Policy and a Communications Policy and established a Disclosure Committee (comprising the Chair of the Board, Group CEO, Group CFO and Company Secretary or their delegates) to ensure compliance with these requirements.

The Continuous Disclosure Policy applies to all Directors, officers, employees and consultants of the Company.

7.2.2 COMMUNICATION WITH SHAREHOLDERS

The Company aims to communicate all important information relating to the Company to its Shareholders. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

To achieve this, the Company communicates information regularly to Shareholders and other stakeholders through a range of forums and publications, including the Company website, at the annual general meeting, through the Company's Annual Report and ASX announcements.

1. Leadership Group comprises the Board, Executive Roles and those in Senior Management Roles
2. Executive Roles comprise of the Group CEO and his direct reports.
3. Senior Management Roles include direct reports to those in Executive Roles and Departmental Managers.

7.3 SECURITIES DEALING POLICY

The Company has adopted a Securities Dealing Policy which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and explain the Company's policy and procedure for the buying and selling of securities that protects the Company, Directors and employees against the misuse of unpublished information which could materially affect the price or value of securities.

The policy applies to Directors, officers, senior management and other employees, consultants and contractors of the Company.

7.3.1 CODE OF CONDUCT

The Board has adopted a formal Code of Conduct which outlines how the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

All employees of the Company (including temporary employees, contractors, Company Directors, officers, consultants and other persons that act on behalf of the Company) must comply with the Code of Conduct.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the policy.

7.3.2 DIVERSITY POLICY

The Board has formally adopted a Diversity Policy, which sets out the Company's vision for diversity, incorporating a number of different factors including gender, ethnicity, age and educational experience.

The Diversity Policy has been approved in order to actively facilitate a more diverse and representative management and leadership structure.

The Board will include in its annual report each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy and the Company's most recent "Gender Equality Indicators" as defined by the Workplace Gender Equality Act 2012 (Cth) (the Act) or, where the Company is not required to comply with the Act, the proportion of women employees, senior executives and Board members.

7.3.3 WHISTLEBLOWER POLICY

The Company has adopted a Whistleblower Policy which encourages, supports and promotes honest and ethical behaviour by providing a framework for the escalation of 'reportable conduct'. This includes conduct that is any one or more of the following: dishonest, fraudulent, corrupt, illegal, in breach of local laws, unethical, an unsafe work practice or a repeated breach of Company policy or procedure (including breaches of the Code of Conduct).

7.3.4 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Company has adopted a Anti-bribery and Anti-Corruption Policy. This policy is designed to bring awareness to all employees, directors, officers, contractors and consultants that certain types of payments may constitute corruption, an illegal benefit or an act of bribery and that any such payments are prohibited.

The Company applies a "zero tolerance" approach to acts of bribery and corruption.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

POINTSBET HOLDINGS LIMITED
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

ABN 68 621 179 351

These financial statements are the consolidated financial statements for the group consisting of PointsBet Holdings Limited and its subsidiaries. A list of subsidiaries is included in Note 29. The financial statements are presented in the Australian dollar ($).

PointsBet Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

PointsBet Holdings Limited
Level 2, 165 Cremorne Street
Cremorne VIC 3121

The financial statements were authorised for issue by the Directors on 31 August 2022. The Directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

	NOTES	2022 $'000	2021 $'000
Continuing operations			
Revenue	6	**296,483**	194,658
Cost of sales		**(174,898)**	(107,025)
Gross profit		**121,585**	87,633
Other income/(other expenses)	7	**14,545**	(9,619)
Expenses			
Administration expenses		**(11,573)**	(10,250)
Consulting expenses		**(2,598)**	(1,578)
Depreciation and amortisation	8	**(31,353)**	(12,228)
Employee benefits expenses	8	**(92,209)**	(51,449)
Information technology costs		**(22,224)**	(13,848)
Occupancy expenses		**(1,578)**	(737)
Other expenses		**(3,657)**	(1,394)
Marketing expenses		**(236,799)**	(170,663)
Travel and accommodation expenses		**(1,365)**	(385)
Total Expenses		**(403,356)**	(262,532)
Finance income	7	**1,472**	824
Finance expenses	7	**(4,493)**	(4,029)
Finance (costs) – net		**(3,021)**	(3,205)
Loss before income tax		**(270,247)**	(187,723)
Income tax benefit/(expense)	9	**2,558**	(10)
Loss for the year		**(267,689)**	(187,733)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations	22	**21,839**	(12,047)
Total comprehensive loss for the year		**(245,850)**	(199,780)
Loss for the year attributable to:			
Owners of PointsBet Holdings Limited		**(267,689)**	(187,733)
Total comprehensive loss for the year is attributable to:			
Owners of PointsBet Holdings Limited		**(245,850)**	(199,780)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE OWNERS OF POINTSBET HOLDINGS LIMITED:		CENTS	CENTS
Basic and Diluted loss per share	24	**(104.8)**	(97.3)

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 30 June 2022

	NOTES	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**519,596**	276,158
Trade and other receivables	11	**3,514**	1,874
Other current assets	12	**79,729**	37,212
Total current assets		**602,839**	315,244
Non-current assets			
Plant and equipment	13	**9,430**	7,721
Intangible assets	14	**212,464**	142,528
Other non-current assets	12	**121,624**	149,779
Right-of-use assets	15	**14,730**	9,139
Total non-current assets		**358,248**	309,167
Total assets		**961,087**	624,411
LIABILITIES			
Current liabilities			
Trade and other payables	16	**46,177**	39,412
Employee benefit obligations	17	**4,294**	2,602
Provisions		**117**	89
Financial liabilities	18	**5,130**	4,149
Other current liabilities	19	**45,556**	31,588
Lease liabilities	15	**4,508**	2,603
Contract liabilities	20	**1,282**	–
Total current liabilities		**107,064**	80,443
Non-current liabilities			
Other non-current liabilities	19	**5,807**	667
Employee benefit obligations	17	**378**	189
Lease liabilities	15	**13,192**	9,036
Financial liabilities	18	**79,708**	76,078
Deferred tax liability	9	**7,198**	10,144
Provisions		**404**	307
Contract liabilities	20	**10,981**	–
Total non-current liabilities		**117,668**	96,421
Total liabilities		**224,732**	176,864
Net assets		**736,355**	447,547
EQUITY			
Share capital	21	**1,197,010**	666,130
Other reserves	22	**88,249**	62,632
Accumulated losses		**(548,904)**	(281,215)
Total equity		**736,355**	447,547

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	NOTES	SHARE CAPITAL $'000	OTHER RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2020		**261,758**	**8,849**	**(93,482)**	**177,125**
Loss for the year		–	–	(187,733)	(187,733)
Other comprehensive loss	22	–	(12,047)	–	(12,047)
Total comprehensive loss for the year		**–**	**(12,047)**	**(187,733)**	**(199,780)**
Transactions with owners in their capacity as owners:					
Exercise of options – ESOP		1,024	(760)	–	264
Exercise of options – Listed		126	(19)	–	107
Issued Capital – NBC Universal Transaction		65,284	32,621	–	97,905
Capital raising		353,227	–	–	353,227
Listed Options Adjustment (a)		(27,179)	27,179	–	–
Issued Capital – ABG-Shaq LLC		649	400	–	1,049
Issued Capital – NHL Enterprises LP		653	–	–	653
Issued Capital – Banach Technology Acquisition		22,717	–	–	22,717
Less: Share issue costs		(12,129)	–	–	(12,129)
Share-based payments expense for the year		–	6,409	–	6,409
Total for the year		**404,372**	**65,830**	**–**	**470,202**
Balance at 1 July 2021		**666,130**	**62,632**	**(281,215)**	**447,547**
Loss for the year		–	–	(267,689)	(267,689)
Other comprehensive income	22	–	21,839	–	21,839
Total comprehensive income/(loss) for the year		**–**	**21,839**	**(267,689)**	**(245,850)**
Transactions with owners in their capacity as owners:					
Exercise of options	21	38,946	(5,836)	–	33,110
Issued Capital – Other	21	3,028	–	–	3,028
Capital raising	21	494,244	–	–	494,244
Less: Share issue costs	21	(11,157)	–	–	(11,157)
Share-based payments expense for the year	21	5,819	9,523	–	15,342
Share-based payment-ABG-Shaq LLC	22	–	91	–	91
Total for the year		**530,880**	**3,778**	**–**	**534,658**
Balance at 30 June 2022		**1,197,010**	**88,249**	**(548,904)**	**736,355**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	NOTES	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**328,152**	210,170
Payments to suppliers and employees (inclusive of GST)		**(541,243)**	(349,210)
		(213,091)	(139,040)
Government grants received (including R&D Offset)		**218**	113
Interest received		**907**	798
Interest paid		**(859)**	(640)
Net increase in player cash accounts		**15,296**	19,628
Net cash outflow from operating activities	25	**(197,529)**	(119,141)
Cash flows from investing activities			
Payments for plant and equipment		**(3,718)**	(6,212)
Payments for Capitalised Software Development		**(31,861)**	(14,157)
Payments for Market Access Intangible		**(52,994)**	(14,595)
Payments for deposits and Rental Bond		**(596)**	(478)
Payments for funds held in escrow		**(3,768)**	(11,791)
Payments to acquire businesses (net of cash acquired)		**(254)**	(30,546)
Net cash outflow from investing activities		**(93,191)**	(77,779)
Cash flows from financing activities			
Proceeds from issues of shares (net of share issue cost)		**483,661**	341,098
Option exercises		**35,437**	391
Repayment of leases		**(3,821)**	(2,057)
Net cash inflow from financing activities		**515,277**	339,432
Net increase in cash and cash equivalents		**224,557**	142,512
Cash and cash equivalents at the beginning of the financial year		**276,158**	144,339
Effects of exchange rate changes on cash and cash equivalents		**18,881**	(10,693)
Cash and cash equivalents at end of year	10	**519,596**	276,158

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2022

CONTENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of PointsBet Holdings Limited and its subsidiaries.

(A) NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

Any new or amended Accounting Standards, Amendments or Interpretations that are not yet mandatory have not been early adopted. These include the following:

(i) Amendments to AASB 101: Classification of Liabilities as Current or Non-current

The amendments to AASB 101 affect only the presentation of liabilities as current or non-current in the statement of financial position. The amendments are effective for the Group for the annual reporting periods beginning on or after 1 July 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have and do not anticipate the application with have a material impact on the Group's financial statements.

(ii) Amendments to IFRS 3

The amendments to AASB 3 are intended to update a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. AASB 3 has also been amended for the recognition principle of liabilities and contingent liabilities and clarifies that contingent assets are not recognised. The amendments are effective for the Group for annual reporting periods beginning on or after 1 July 2022 and apply prospectively.

(iii) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The amendments to AASB 137 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. The amendments are effective for the Group for annual reporting periods beginning on or after 1 July 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

(iv) AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-2 amends AASB Standards to improve accounting policy disclosures so that they provide more useful information to investors users of the financial statements and clarify the distinction between accounting policies and accounting estimates. The amendments are effective for the Group for annual periods beginning on or after 1 July 2023. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

(B) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. PointsBet Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the PointsBet Holdings Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities held at fair value through profit or loss (including derivative instruments)
- certain classes of plant and equipment – measured at fair value

(C) PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

(D) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal management reports that have been provided to and 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.

(E) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars ($), which is PointsBet Holdings Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss on a net basis within other income/(expenses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Consolidated Statement of Financial Position presented are translated at the closing rate at the date of that Consolidated Statement of Financial Position
- income and expenses for Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(F) REVENUE RECOGNITION

The services provided by the Group comprise sports betting revenue (retail sportsbook, online sportsbook), pari-mutuel ADW (advanced deposit wagering) services, iGaming, and business-to-business services.

Revenue is stated exclusive of goods and services tax ("GST").

Revenue from contracts with customers is recognised when control of the Group's services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has concluded that it is the principal in its revenue arrangements because it controls the services before transferring them to the customer.

Information about the nature and timing of the satisfaction of performance obligations pertaining to the Group's main sources of revenue are outlined below:

Sports betting revenue

The Group reports the gains and losses on all betting activities 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. Revenue includes free bets, promotions, and bonuses. Open betting positions (pending bets) are accounted for as derivative financial instruments and are carried at fair value. Gains and losses arising on the open positions are recognised in revenue.

The Group operates a rewards program allowing customers to accumulate award points for betting spend and a portion of these points is recognised as a contract liability until the points are redeemed. Revenue from the award credits is recognised when the royalty points are redeemed or expire.

All revenue is stated net of the amount of goods and services tax.

iGaming Revenue

Revenue from iGaming represents net winnings, being amounts staked net of customer winnings, and is stated net of customer promotions and bonuses incurred in the period.

Pari-mutuel advanced deposit wagering

Revenue from pari-mutuel betting products represents a percentage of stake and is recognised on settlement of the event, and is stated net of customer promotions and bonuses.

B2B Services Revenue

Revenue from business-to-business services represents fees charged for the services provided in the period. Revenue is recognised once the services have been rendered and is over time.

Government Grants including R&D Tax Incentive

Grants that compensate the group for expenditures incurred are recognised in profit or loss on a systematic basis in the periods in which the expenditures are recognised. R&D tax offset receivables will be recognised in profit before tax and depreciation and amortisation over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the R&D costs are capitalised or expensed as incurred.

For R&D costs that have been capitalised, the grants related to those assets have been deferred and will be recognised over the useful economic life of asset.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(G) INCOME TAX

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation

PointsBet Holdings Limited (the Head Company) and its 100% owned Australian tax resident subsidiaries have formed an income tax consolidation group, and are therefore taxed as a single entity.

(H) CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(I) RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(J) IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(K) CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(L) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See Note 11 for further information about the Group's accounting for trade receivables.

Other receivables are recognised at amortised cost, less any loss allowance.

(M) INVESTMENTS AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The group classifies its debt instruments into the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(N) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting year.

(O) PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Office equipment 2 – 3 years
- Computer equipment 2 – 3 years
- Retail Sportsbook Assets 2 – 5 years
- Assets under construction Nil years
- Leasehold improvements over a period up to lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(P) INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(i) Licenses and market access and Racetrack agreements

Significant costs associated with licenses and US market access are capitalised and amortised on a straight line basis over a period of their expected benefit.

(ii) Software

Software costs including capitalised betting platform development are capitalised and amortised on a straight-line basis over the period of their expected benefit being their finite life of 3 to 5 years.

(iii) Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(iv) Customer contracts

The Customer Contracts are existing service contracts with external customers. These Contracts have been acquired with a remaining contractual term of 3 years, with the option to renew at the end of the period at little or no cost to the Company.

(v) Non-compete arrangements

The Non-Compete Agreements are the contractual agreements between the Company and key executives and key personnel that prohibited from being employed, or otherwise engaged in any business in competition with the business for a period post completion of the acquisition. The Non-Compete Agreements have been assessed with a useful economic life of three years.

(Q) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(R) LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the groups' incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(S) PROVISIONS

Provisions for legal claims, chargebacks and other obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

(T) EMPLOYEE BENEFITS

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated Statement of Financial Position.

(ii) Other long-term employee benefit obligations

In some countries, the Group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(iv) Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Binomial option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(U) FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

(V) CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(W) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(X) EARNINGS PER SHARE

The Group presents basic and, when applicable, diluted earnings per share ("EPS") data for its ordinary shares.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(Y) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(Z) PARENT ENTITY

In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in Note 30.

2. CHANGES IN ACCOUNTING POLICIES

As explained in Note 1(a) above, the Group has adopted new or revised accounting standards this year that have resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

3. CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

(A) SIGNIFICANT ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimation of useful life of assets

The Group determines the estimated useful lies and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(ii) Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(iv) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to Note 14 for further information.

(v) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(vi) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of market risk (foreign exchange and cash flow and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by management under policies approved by the Board of Directors ("the Board"). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the group and reports to the Board on a regular basis.

(A) MARKET RISK

(i) Foreign exchange risk

Exposure

The Group is exposed to foreign currency risk in respect of revenue, expenses, trade receivables, cash and cash equivalents, and other financial assets, and financial liabilities (primarily trade payables, accruals, and client liability balances) that are denominated in currencies that are not the functional currency of the group, being Australian Dollar ("AUD"). The primary currencies that the Group is exposed to fluctuations is the US Dollar ("USD"), .

As at 30 June 2022, the Group's exposure to foreign currency at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 JUNE 2022 AUD $'000	30 JUNE 2021 AUD $'000
Financial assets and cash and cash equivalents		
USD	**257,737**	23,974
Total	**257,737**	23,974

Instruments used by the Group

The Group operates internationally and is exposed to foreign exchange risk, primarily the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a current that is not the functional currency of the relevant Group entity.

Whilst the Group does not actively hedge its foreign currency exposure on its trading cash flows, it monitors exposures to individual exposures and where appropriate and approved by the Board enter into spot or forward foreign exchange contracts.

Sensitivity

The Group had financial assets (Cash and Cash Equivalents) denominated in foreign currencies in Australia and Ireland of $258 million as at 30 June 2022 (2021: $24 million). Based on this exposure, had the Australian dollar weakened by 5%/strengthened by 10% against these foreign currencies with all other variables held constant, the group's loss before tax for the year would have been $14 million lower/$29 million higher and equity would have been $14 million higher/$29 million lower.

(ii) Cash flow and fair value interest rate risk

The group is exposed to interest rate risk on certain of its cash and cash equivalents and any long term-borrowings. As at 30 June 2022, the group did not hold any long-term borrowings (30 June 2021: $nil). Excess cash and cash equivalents, where applicable are invested in interest-bearing term deposits on which the interest rate is fixed for the term of the deposit. At call deposits attract low interest rates and therefore do not materially impact the interest income earned by the group.

(B) LIQUIDITY RISK

Liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(a) all non-derivative financial liabilities, and

(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	INTEREST RATE	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	OVER 2 YEARS $'000	TOTAL CONTRACTUAL CASH FLOWS $'000	CARRYING AMOUNT (ASSETS)/LIABILITIES $'000
At 30 June 2022						
Non-derivatives						
Trade and other payables	**–**	**46,177**	**–**	**–**	**46,177**	**46,177**
Other liabilities	**–**	**41,614**	**–**	**–**	**41,614**	**41,614**
Lease Liabilities	**5.7%**	**5,425**	**4,535**	**11,745**	**21,705**	**17,700**
Financial Liabilities	**8.39%**	**–**	**–**	**105,324**	**105,324**	**79,708**
Total non-derivatives		**93,216**	**4,535**	**117,069**	**214,820**	**185,199**
Derivatives						
Pending bets	**–**	**5,130**	–	–	**5,130**	**5,130**
Total derivatives		**5,130**	**–**	**–**	**5,130**	**5,130**
At 30 June 2021						
Non-derivatives						
Trade and other payables	–	39,412	–	–	39,412	39,412
Other liabilities	–	26,671	–	–	26,671	26,671
Lease Liabilities	5.9%	3,815	3,546	7,990	15,351	11,639
Financial Liabilities	7.44%	–	–	105,324	105,324	76,078
Total non-derivatives		69,898	3,546	113,314	185,758	153,800
Derivatives						
Pending bets	–	4,149	–	–	4,149	4,149
Total derivatives		4,149	–	–	4,149	4,149

(C) RECOGNISED FAIR VALUE MEASUREMENTS – FINANCIAL ASSETS AND LIABILITIES

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

RECURRING FAIR VALUE MEASUREMENTS	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
At 30 June 2022				
Financial liabilities				
Pending bets	**–**	**–**	**5,130**	**5,130**
Financial liabilities	**–**	**79,708**	**–**	**79,708**
Total financial liabilities	**–**	**79,708**	**5,130**	**84,838**
At 30 June 2021				
Financial liabilities				
Pending bets	–	–	4,149	4,149
Financial liabilities	–	76,078	–	76,078
Total financial liabilities	–	76,078	4,149	80,227

Disclosed fair values

There were no transfers between levels during the year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

(ii) Valuation techniques used to determine fair values

Pending bets have been valued based on the amount of unsettled bets at year end, adjusted for the average net win in each open market.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 30 June 2022 and 30 June 2021:

	PENDING BETS $'000
Opening balance 1 July 2020	1,524
Bets placed	336,951
Bets settled	(334,148)
Fair value gains recognised in revenue	(178)
Closing balance 30 June 2021	4,149
Bets placed	**498,920**
Bets settled	**(497,927)**
Fair value gains recognised in revenue	**(12)**
Closing balance 30 June 2022	**5,130**

5. SEGMENT INFORMATION

(A) DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES

The group has determined that its operating segments are its reportable segments. The group's reportable segments are as follows:

- Australian Trading;
- United States Trading;
- Canada Trading; and
- The Technology segment.

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

The Australian trading segment derives revenue from sports and race betting 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 United States trading segment derives revenue from sports betting (retail and online), iGaming, New York B2B Platform services and ADW Racing services to United States customers.

The Canada trading segment derives revenue from sports betting and iGaming services provided to Canadian customers.

The Technology segment derives its revenue from external B2B services revenue from PointsBet Europe and from licensing fees charged to the Australian Trading segment and the group's subsidiaries in the United States Trading segment and Canadian Trading segment.

Corporate administrative costs (Board, Finance, Legal, Human Resources, Property, and other central functions) are costs that 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. For the current period, costs involved with the start-up of the PointsBet Canada operations are also allocated to the Corporate segment for the first 6 months of the financial year until the business is operational and a material component of the Group.

Intersegment transactions

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

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.

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 management 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 Company's external revenue.

(B) SEGMENT RESULTS

The CODM primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the CODM also receives information about the segments' revenue and assets on a monthly basis.

EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as unrealised gains or losses on financial instruments.

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

Information about segment revenue is disclosed as follows:

	AUSTRALIAN TRADING $'000	UNITED STATES TRADING $'000	CANADA TRADING $'000	TECHNOLOGY $'000	CORPORATE $'000	TOTAL $'000
30 June 2022						
Segment revenue	**195,244**	**98,674**	**170**	**2,395**	**–**	**296,483**
Inter-segment revenue	**–**	**–**	**–**	**26,013**	**–**	**26,013**
Elimination of intersegment sales	**–**	**–**	**–**	**(26,013)**	**–**	**(26,013)**
Revenue from external customers	**195,244**	**98,674**	**170**	**2,395**	**–**	**296,483**
SEGMENT EBITDA	**7,686**	**(197,445)**	**(15,637)**	**(19,022)**	**(25,582)**	**(250,000)**
Finance costs						**(4,493)**
Interest revenue						**1,472**
Depreciation and amortisation						**(31,353)**
Net foreign exchange gain						**14,127**
Income tax expense						**2,558**
Loss before income tax from continuing operations						**(267,689)**

	AUSTRALIAN TRADING $'000	UNITED STATES TRADING $'000	CANADA TRADING $'000	TECHNOLOGY $'000	CORPORATE $'000	TOTAL $'000
30 June 2021						
Segment revenue	150,700	42,309	–	1,649	–	194,658
Inter-segment revenue	–	–	–	19,447	–	19,447
Elimination of intersegment sales	–	–	–	(19,447)	–	(19,447)
Revenue from external customers	150,700	42,309	–	1,649	–	194,658
SEGMENT EBITDA	9,218	(149,577)	–	(9,590)	(12,375)	(162,324)
Finance costs						(4,029)
Interest revenue						824
Impairment (loss)						(1,308)
Depreciation and amortisation						(12,228)
Net foreign exchange (losses)						(8,658)
Income tax expense						(10)
Loss before income tax from continuing operations						(187,733)

6. REVENUE

Revenue disaggregated by geographic region and revenue type.

AS AT 30 JUNE 2022	AUSTRALIA	UNITED STATES	CANADA	IRELAND	TOTAL
Sportsbetting[1]	195,244	73,564	-493	0	268,315
iGaming revenue[2]	0	19,746	663	0	20,408
Other[3]	0	5,364	0	2,395	7,760
Total revenue from continuing operations	**195,244**	**98,674**	**170**	**2,395**	**296,483**

AS AT 30 JUNE 2021	AUSTRALIA	UNITED STATES	CANADA	IRELAND	TOTAL
Sportsbetting[1]	150,700	38,120	0	0	188,820
iGaming revenue[2]	0	1,463	0	0	1,463
Other[3]	0	2,726	0	1,649	4,375
Total revenue from continuing operations	150,700	42,309	0	1,649	194,658

1. Sportsbetting revenue comprises the fair value of the consideration received or receivable from clients on sportsbetting products less GST, free bets, promotions, bonuses and other fair value adjustments
2. iGaming revenue comprises iGaming net win
3. Other revenue comprises B2B revenues and ADW racing revenues.

7. TOTAL OTHER INCOME/(OTHER EXPENSES) ITEMS

(A) TOTAL OTHER INCOME/(OTHER EXPENSES)

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Net foreign exchange gain/(loss)	**14,127**	(8,658)
Research and development income	**418**	347
Impairment (loss)	**–**	(1,308)
Total other income/(other expenses)	**14,545**	**(9,619)**

(B) FINANCE INCOME AND COSTS

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Finance income		
Interest income	**1,472**	824
Finance income	**1,472**	824
Finance costs		
Interest expense on financial liability	**(5,695)**	(3,389)
Fair value gain on financial liability	**2,062**	–
Interest expense leases	**(860)**	(640)
Finance costs expensed	**(4,493)**	(4,029)
Net finance income/(expenses)	**(3,021)**	(3,205)

8. EXPENSES

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Employee benefits expenses		
Salaries	**61,863**	34,389
Superannuation	**4,818**	2,042
Payroll tax	**3,964**	2,918
Share options expense	**9,523**	6,409
Other employee costs	**12,040**	5,690
Total employee benefits expenses	**92,209**	51,449
Depreciation and amortisation		
Depreciation	**2,782**	3,982
Amortisation	**28,571**	8,246
Total depreciation and amortisation	**31,353**	12,228

9. INCOME TAX EXPENSE

(A) INCOME TAX EXPENSE

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Current tax	**–**	–
Current tax on profits for the year	**–**	–
Adjustments for current tax of prior periods	**–**	–
Total current tax expense	**–**	**–**
Deferred income tax	**–**	–
Decrease/(increase) in deferred tax assets	**(2,558)**	10
Total deferred tax expense/(benefit)	**(2,558)**	10
Income tax expense/(benefit)	**(2,558)**	10

(B) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Loss from continuing operations before income tax expense	**(270,247)**	(187,723)
Tax at the Australian tax rate of 30% (2021 30%)	**(81,074)**	(56,309)
Impact of foreign tax rate differences	**9,898**	2,375
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	**–**	–
Non-deductible expenses related to separate R&D claim	**133**	1,000
Other permanent differences	**810**	(3,325)
Subtotal	**(70,233)**	(56,259)
Less: income tax losses utilised	**0**	(36)
Unrecognised deferred tax assets	**67,675**	(56,285)
Income tax benefit/(expense)	**2,558**	(10)

(i) Tax losses

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Unused tax losses for which no deferred tax asset has been recognised	**600,007**	263,273

As a result of the formation of an Australian tax consolidated group as of 1 January 2022, there are unrecognised tax losses which the recoupment is subject to satisfying the loss transfer tests, and the rate at which the losses can be utilized is limited by the available fraction for each loss bundle.

DEFERRED TAX ASSETS/LIABILITIES

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
The balance comprises temporary differences attributable to:		
Tax losses	**168,748**	75,724
Less: temporary differences not recognised	**(168,693)**	(82,176)
Employee entitlements	**1,180**	896
Business combinations	**356**	337
Provisions for chargebacks	**70**	62
Black hole expenditure	**2,145**	1,782
Other accruals	**2,547**	3,653
Carry-forward R&D tax offset credits	**10,463**	6,920
Foreign currency translations and revaluations	**–**	2,628
Lease Liability	**1,217**	1,208
Total deferred tax assets	**18,033**	11,034
Foreign currency translations and revaluations	**(4,238)**	158
Intangible assets	**(13,274)**	(4,924)
Plant and equipment	**(1,233)**	(1,293)
Prepayments	**(6,047)**	(4,326)
Right-of-use-asset	**(439)**	(469)
Total deferred tax liabilities pursuant to set-off provisions	**(25,231)**	(10,854)
Deferred tax liabilities recognised as a result of a business combination	**–**	9,963
Net deferred tax liabilities	**(7,198)**	(10,144)

10. CASH AND CASH EQUIVALENTS

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Cash at bank and in hand	**168,363**	245,538
Player cash	**46,892**	30,620
Cash term deposits	**304,341**	–
Total cash and cash equivalents	**519,596**	276,158

Player cash accounts represent cash deposited by a customer to be used on betting activities and the Company maintains separate bank accounts to segregate players funds held from the Group bank accounts and Group funds. The Group funds are unrestricted and available for use by the Group. The balance of the player cash accounts held is sufficient to settle the player cash liability disclosed in Note 18 and 19.

11. TRADE AND OTHER RECEIVABLES

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Trade receivables	**1,054**	360
Loss allowance	**–**	–
Other receivables	**2,460**	1,514
Total trade and other receivables	**3,514**	1,874

(A) CLASSIFICATION AS TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(B) OTHER RECEIVABLES

These amounts generally arise from transactions outside the usual operating activities of the group. Collateral is not normally obtained.

(C) FAIR VALUE OF TRADE RECEIVABLES

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

12. OTHER ASSETS

	30 JUNE 2022			30 JUNE 2021		
	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Prepayments	**79,729**	**101,818**	**181,547**	37,212	136,434	173,646
Receivables	**–**	**1,188**	**1,188**	–	–	–
Rental bonds	**–**	**2,413**	**2,413**	–	2,135	2,135
Deposits held in escrow	**–**	**16,205**	**16,205**	–	11,210	11,210
Total	**79,729**	**121,624**	**201,353**	37,212	149,779	186,991

Prepayments include a prepayment with NBC Universal for future marketing spend of $161 million (Current $60 million and Non-current $101 million, 2021: Current $32 million and Non-current $136 million), representing an offset to the total marketing commitment across the five years under the NBC Universal Media Partnership which was announced in August 2020. NBC Universal were issued $65.3 million of new fully paid ordinary shares in the Company as well as 66.88 million options with a five year maturity.

13. PLANT AND EQUIPMENT

	OFFICE EQUIPMENT $'000	COMPUTER EQUIPMENT $'000	LEASEHOLD IMPROVEMENTS $'000	RETAIL SPORTSBOOK $'000	ASSETS UNDER CONSTRUCTION $'000	TOTAL $'000
At 1 July 2021						
Cost	218	1,779	3,958	3,778	845	10,578
Accumulated depreciation	(86)	(1,107)	(922)	(742)	–	(2,857)
Net book amount	**132**	**672**	**3,036**	**3,036**	**845**	**7,721**
Year ended 30 June 2022						
Opening net book amount	**132**	**672**	**3,036**	**3,036**	**845**	**7,721**
Exchange differences	**23**	**45**	**204**	**207**	**85**	**564**
Additions	**329**	**978**	**1,594**	**103**	**897**	**3,901**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**
Transfers	**–**	**200**	**–**	**644**	**(844)**	**–**
Depreciation charge	**(128)**	**(766)**	**(1,167)**	**(695)**	**–**	**(2,756)**
Closing net book amount	**356**	**1,129**	**3,667**	**3,295**	**983**	**9,430**
At 30 June 2022						
Cost	**565**	**3,101**	**5,830**	**4,858**	**983**	**15,337**
Accumulated depreciation	**(209)**	**(1,972)**	**(2,163)**	**(1,563)**	**–**	**(5,907)**
Net book amount	**356**	**1,129**	**3,667**	**3,295**	**983**	**9,430**

14. INTANGIBLE ASSETS

	LICENSES AND MARKET ACCESS $'000	SOFTWARE $'000	GOODWILL $'000	CUSTOMER CONTRACTS $'000	NON-COMPETE AGREEMENTS $'000	RACETRACK AGREEMENTS $'000	TOTAL $'000
At 30 June 2021							
Cost	57,735	40,559	36,213	5,549	14,842	268	155,166
Accumulated amortisation	(4,890)	(6,406)	–	(360)	(962)	(20)	(12,638)
Net book amount	**52,845**	**34,153**	**36,213**	**5,189**	**13,880**	**248**	**142,528**
Year ended 30 June 2022							
Opening net book amount	**52,845**	**34,153**	**36,213**	**5,189**	**13,880**	**248**	**142,528**
Exchange differences	**7,579**	**(475)**	**(1,147)**	**(186)**	**(499)**	**7**	**5,279**
Additions	**58,254**	**30,702**	**–**	**–**	**–**	**–**	**88,956**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amortisation charge	**(7,590)**	**(9,796)**	**–**	**(1,812)**	**(4,846)**	**(255)**	**(24,299)**
Closing net book amount	**111,088**	**54,584**	**35,066**	**3,191**	**8,535**	**–**	**212,464**
At 30 June 2022							
Cost	**124,376**	**70,727**	**35,066**	**5,302**	**14,182**	**286**	**249,939**
Accumulated amortisation	**(13,288)**	**(16,143)**	**–**	**(2,111)**	**(5,647)**	**(286)**	**(37,475)**
Net book amount	**111,088**	**54,584**	**35,066**	**3,191**	**8,535**	**–**	**212,464**

(A) IMPAIRMENT TESTING

(i) Licenses and market access intangible assets

The license and market access intangible assets are finite assets and belong to the USA Trading operating segment. The length of the State license and market access rights range between 1 to 25 years. The recoverable amount of the US licenses and market access has been determined by a value-in-use calculation using a discounted cash flow model, based on a cashflow period in line with the license and market access term, with no terminal value. The cashflow period is approved by management.

The following key assumptions were used in the discounted cash flow model to test USA licenses and market access intangibles:

- 10.4% (2021: 14.6%) pre-tax discount rate;
- The increase in Revenue has been determined based on the expected size of the market and management's assessment of market share gained within each State;
- The enabling legislation is expected to pass in Kansas, Louisiana, Texas Mississippi, Maryland and Missouri within the next two years;
  - Based on the above, the recoverable amount exceeded the carrying amount of the licenses and market access therefore no impairment has been recorded.
  - Management believes that any reasonably possible change in the key assumptions on which the licenses and market access intangibles recoverable amount are based would not cause its carrying amount to exceed its recoverable amount.

(ii) Goodwill

For impairment testing goodwill acquired through business combinations are allocated to the operating and reportable segments as defined in Note 5.

Carrying amount of Goodwill allocated to each of the Segments or Group of CGUs:

	AUSTRALIAN TRADING $'M	USA TRADING $'M	TECHNOLOGY $'M	CORPORATE $'M	TOTAL $'M
2022					
PointsBet Europe	**–**	**–**	**31.4**	**–**	**31.4**
United States – ADW Racing	**–**	**3.7**	**–**	**–**	**3.7**
Goodwill	**–**	**3.7**	**31.4**	**–**	**35.1**
2021					
PointsBet Europe	–	–	32.8	–	32.8
United States – ADW Racing	–	3.9	–	–	3.9
Goodwill	–	3.9	32.8	–	36.7

PointsBet Europe

The recoverable amount of the cash-generating unit has been determined by a value-in-use calculation using a discounted cash flow model, based on a 10 year projection period approved by management, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model to test the PointsBet Europe Goodwill:

- 13.4% (2021: 15.4%) pre-tax discount rate;
- The increase in Revenue and Expenses has been determined based on the expected growth in the size of the online sports betting market, in particular the United States and management's assessment of B2B revenues to be generated from existing clients and internal revenues generated from the United States and Australian Trading segments in line with the segment and market share growth from the increased and more advanced product offering and the associated operating costs and overheads to service the cash generating unit.
- 2.5% (2021: 2.5%) terminal value growth rate.
  - Based on the above, the recoverable amount exceeded the carrying amount of the PointsBet Europe Goodwill therefore no impairment has been recorded.
  - Management believes that any reasonably possible change in the key assumptions on which the PointsBet Europe goodwill recoverable amount are based would not cause its carrying amount to exceed its recoverable amount.

United States – ADW Racing

The recoverable amount of the cash-generating unit has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period approved by management, together with a terminal value.

The following key assumptions were used in the discounted cash flow model for the United States – ADW Racing CGU:

- 10.4% (2021: 14.6%) pre-tax discount rate.
- The increase in Revenue and Expenses has been determined based on the managements assessment over the expected growth in market share that the of the United States – ADW Racing CGU's revenues to be generated from clients from the overall United States segment, and the additional operating costs and overheats to service the cash generating unit.
- 2.5% (2021: 2.5%) terminal value growth rate.
  - Based on the above, the recoverable amount exceeded the carrying amount of the United States – ADW Racing Goodwill therefore no impairment has been recorded.
  - Management believes that any reasonably possible change in the key assumptions on which the United States – ADW Racing goodwill recoverable amount are based would not cause its carrying amount to exceed its recoverable amount.

15. LEASES

(A) MOVEMENTS IN RIGHT-OF-USE ASSET

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Opening net book amount	**9,138**	8,337
Additions	**8,843**	2,935
Exchange Rate Differences	**787**	401
Depreciation charge	**(4,038)**	(2,534)
Net book amount	**14,730**	9,139

The group leases buildings for its offices under agreements of between three and five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The group also leases plant and equipment under agreements of between one to three years.

The group leases office equipment under agreements of less than three years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

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

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Current	**4,508**	2,603
Non-current	**13,192**	9,036
Total lease liabilities	**17,700**	11,639

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

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Depreciation expense of right-of-use-assets	**(4,038)**	(2,535)
Interest expense on lease liabilities	**(860)**	(640)
Total amount recognised in profit or loss	**(4,898)**	(3,175)

(D) CHANGES IN LEASE LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Opening balance	**11,639**	9,044
Net cash used in financing activities	**(3,821)**	(2,056)
Accretion of Interest	**860**	640
Acquisition of leases	**9,022**	4,011
Total lease liabilities	**17,700**	11,639

16. TRADE AND OTHER PAYABLES

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Trade payables	**7,041**	6,174
Accrued expenses	**36,640**	30,602
Other payables	**2,496**	2,636
Trade and other payables	**46,177**	39,412

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

17. EMPLOYEE BENEFIT OBLIGATIONS

	30 JUNE 2022			30 JUNE 2021		
	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Leave obligations (a)	**4,294**	**378**	**4,672**	2,602	189	2,791
Total employee benefit obligations	**4,294**	**378**	**4,672**	2,602	189	2,791

Leave Obligations

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 year of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the annual leave provision 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.

18. FINANCIAL LIABILITIES

	30 JUNE 2022			30 JUNE 2021		
	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Pending bets – at fair value	**5,130**	**–**	**5,130**	4,149	–	4,149
Financial liabilities	**–**	**79,708**	**79,708**	–	76,078	76,078
Total	**5,130**	**79,708**	**84,838**	4,149	76,078	80,227

For details of the non-current financial liabilities refer to Note 23. This represents the fair value of the 66.88 million options issued to NBC Universal discounted at a rate of 8.39%.

19. OTHER LIABILITIES

	30 JUNE 2022			30 JUNE 2021		
	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Deferred income	**–**	**–**	**–**	200	–	200
Player cash accounts	**41,614**	**–**	**41,614**	25,603	–	25,603
Market access liability	**1,815**	**5,807**	**7,622**	4,669	667	5,336
Deferred acquisition costs	**–**	**–**	**–**	248	–	248
Reward points liability	**2,127**	**–**	**2,127**	868	–	868
Total	**45,556**	**5,807**	**51,363**	31,588	667	32,255

Player cash accounts and rewards points liabilities can be converted and redeemed at any time and therefore are regarded as current.

20. CONTRACT LIABILITIES

	30 JUNE 2022			30 JUNE 2021		
	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Contract Liabilities	**1,282**	**10,981**	**12,263**	–	–	–
Total	**1,282**	**10,981**	**12,263**	–	–	–

Contract liabilities include payments received from Business to Business customers for which services have not yet been performed by the Group.

21. CONTRIBUTED EQUITY

(A) SHARE CAPITAL

	2022 SHARES 000	2021 SHARES 000	2022 $'000	2021 $'000
Ordinary shares				
Fully paid	**303,618**	207,739	**1,197,010**	666,130

(B) MOVEMENTS IN ORDINARY SHARES:

DETAILS	SHARE PRICE $'000	NUMBER OF SHARES 000	TOTAL $'000
Opening balance 1 July 2021	–	207,739	**666,130**
Capital raising – Institutional entitlement offer	10.00	21,507	**215,066**
Capital raising – Retail entitlement offer	8.00	23,127	**185,015**
Issued capital – Drew Brees	13.20	203	**2,679**
Issued capital – Notah Begay	12.14	22	**266**
Issued capital – Troon	6.95	12	**83**
Exercise of options – PENN	3.54	10,882	**38,502**
Exercise of options – ESOP	0.32	1,376	**442**
Exercise of options – Listed	13.00	–	**2**
Capital raising – SIG	2.43	38,750	**94,163**
Transfer from share-based payment reserve on exercise of option			**5,819**
Less: Share issue costs			**(11,157)**
Balance at 30 June 2022		**303,618**	**1,197,010**

Capital Raising

On 26 August 2021, PointsBet completed a $400.0 million capital raise. Under the 1 for 9 pro rata accelerated renouncement entitlement offer, PointsBet raised:

- $215.1 million at $10.00 per share under the Institutional entitlement offer; and
- $184.9 million at $8.00 per share under the retail entitlement offer.

Capital Raising – SIG Sports Investments Corporation

On 24 June 2022, the Company issued 38,750,000 fully paid ordinary shares at an issue price of $2.43 per Share to SIG Sports Investments Corporation.

Issued Capital – Other

On 1 July 2021, the Company appointed former professional NFL football player, Drew Brees as the Company's United States brand ambassador.

On 19 July 2021, the Company appointed form professional golfer, Notah Begay III as the Company's United States brand ambassador.

As part of the three year endorsement agreements, the above Ambassadors were issued a total of 224,871 Company shares, calculated using the 10 day VWAP when issued. The shares are in a holding lock, released in equal proportions after 12, 24 and 36 months respectively. The fair value of shares granted was $2.9 million.

On 4 January 2022, the Company issued 11,898 fully paid ordinary shares to Troon Golf.

PENN – Exercise of Options

On 10 September 2021, the Company issued 10,372,549 fully paid ordinary shares at an issue price of $3.374 per Share to Penn Interactive Ventures, LLC (a subsidiary of Penn National Gaming, Inc) following the exercise of Options due to expire on 12 September 2021. These Options were issued pursuant to a Subscription Agreement dated 31 July 2019.

On 4 January 2022, Penn exercised options and the company issues 509,128 fully paid ordinary shares at an issue price of $6.884 per Share to Penn Interactive Ventures, LLC (a subsidiary of Penn National Gaming, Inc) following the election by Penn under the Online Gaming Services Framework Agreement dated 31 July 2019.

(A) ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares presents at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote

(B) CAPITAL RISK MANAGEMENT

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the Consolidated Statement of Financial Position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt as appropriate in managing its capital structure.

The group would only look to raise capital when an opportunity to invest in the company and seen as value adding relative to the current company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

22. RESERVES AND ACCUMULATED LOSSES

(A) 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 year. A description of the nature and purpose of each reserve is provided below the table.

	NOTES	SHARE-BASED PAYMENTS $'000	FOREIGN CURRENCY TRANSLATION $'000	TOTAL OTHER RESERVES $'000
At 1 July 2020		**9,161**	**(311)**	**8,850**
Other currency translation differences		–	(12,047)	**(12,047)**
Transactions with owners in their capacity as owners:				
Share-based payment – NBC Universal		32,621	–	**32,621**
Listed options		27,160	–	**27,160**
Share-based payment expenses	23	6,409	–	**6,409**
Option exercises		(760)	–	**(760)**
Share-based payment – ABG-Shaq LLC		399	–	**399**
At 30 June 2021		**74,990**	**(12,358)**	**62,632**
Other currency translation differences		–	21,839	**21,839**
Transactions with owners in their capacity as owners:				
Share-based payment expenses	23	9,523	–	**9,523**
Option exercises		(5,836)	–	**(5,836)**
Share-based payment – ABG-Shaq LLC		91	–	**91**
At 30 June 2022		**78,768**	**9,481**	**88,249**

(i) Nature and purpose of other reserves

Share-based payments

The share-based payments reserve is used to recognise

- the grant date fair value of options issued to employees under the ESOP plan but not yet vested and/or not yet exercised.
- the grant date fair value of performance share rights issued to employees but not yet vested.
- the grant date fair value of options issued to ABG-Shaq but not exercised.
- the grant date fair value of options issued to NBC Universal but not exercised.
- the grant date fair value of listed options and traded on ASX issued not exercised.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

23. 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.

Set out below are summaries of options granted under the plan:

	2022		2021	
	AVERAGE EXERCISE PRICE PER SHARE OPTION	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE PER SHARE OPTION	NUMBER OF OPTIONS
As at 1 July	**$1.16**	**10,788,719**	$2.22	12,282,190
Granted during the year	**–**	**–**	$3.44	100,000
Exercised during the year	**$0.33**	**(1,377,106)**	$0.23	(1,245,514)
Forfeited during the year	**$3.71**	**(50,000)**	$1.48	(347,957)
As at 30 June (weighted average)	**$1.27**	**9,361,613**	**$1.16**	**10,788,719**
Vested and exercisable at 30 June	**$0.88**	**3,432,711**	**$1.37**	**576,774**

No options expired during the years covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

GRANT DATE	EXPIRY DATE	WEIGHTED AVERAGE EXERCISE PRICE	30 JUNE 2022	GRANTED	EXERCISED	FORFEITED	30 JUNE 2021
FY19	FY22	0.08	**–**	–	(108)	–	108
FY19	FY24	0.23	**1,761**	–	(538)	–	2,299
FY19	FY25	0.41	**1,875**	–	(714)	–	2,589
FY19	FY26	0.41	**2,533**	–	–	–	2,533
FY20	FY23	1.67	**584**	–	(17)	–	601
FY20	FY24	1.67	**423**	–	–	–	423
FY20	FY25	3.34	**1,237**	–	–	(25)	1,262
FY20	FY26	4.08	**850**	–	–	(25)	875
FY21	FY26	3.44	**50**	–	–	–	50
FY21	FY27	3.44	**50**	–	–	–	50
			9,361	**–**	**(1,377)**	**(50)**	**10,789**

Weighted average remaining contractual life of options at 30 June 2022 was 1.94 years and was 2.78 years at 30 June 2021.

(B) NBC UNIVERSAL TRANSACTION

On 28 August 2020, PointsBet USA Inc. ("PointsBet"), a wholly owned subsidiary of PointsBet Holdings Limited ("the group"), entered into an agreement with NBC Universal Media LLC ("NBC Universal"), 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 NBC Universal ("Subscription Agreement").

Under the Subscription Agreement, NBC Universal will be issued with new fully paid ordinary shares in the Company representing a 4.9% ownership interest post shareholder approval ("Consideration Shares") and 66.88 million options maturing in five years ("Consideration Options").

The equity component of the 66.88 million Consideration Options ($31.1 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.

(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 $12.61 and expire on 30 September 2022.

	30 JUNE 22 NUMBER OF OPTIONS	30 JUNE 2021 NUMBER OF OPTIONS
As at 1 July	**11,780,426**	–
Granted during the year	**–**	11,788,629
Exercised during the year	**(185)**	(8,203)
Forfeited during the year	**–**	–
As at 30 June	**11,780,241**	**11,780,426**
Vested and exercisable at 31 December	**11,780,241**	**11,780,426**

(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.

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

	2022			2021		
	NUMBER OF RIGHTS	FAIR VALUE $'000	AVERAGE SHARE PRICE AT FAIR VALUE	NUMBER OF OPTIONS	FAIR VALUE $'000	AVERAGE SHARE PRICE AT FAIR VALUE
As at 1 July	**715,380**	**5,004**	**6.99**	–	–	–
Granted during the year	**1,385,910**	**13,622**	**9.83**	738,893	5,136	6.95
Forfeited during the year	**(323,675)**	**(2,787)**	**8.61**	(23,513)	(132)	5.62
As at 30 June	**1,777,615**	**15,839**	**8.91**	715,380	5,004	6.99

(E) ABG-SHAQ, LLC BRAND AMBASSADOR TRANSACTION

On 1 May 2022, the Company announced that it had extended its appointment of professional basketball champion and three-time MVP, Shaquille as the Company's Australian brand ambassador.

As part of the 12-month endorsement agreement ABG-Shaq, LLC as consideration, the Company issued to ABG-Shaq, LLC 100,000 options to acquire shares in the Company, over three separate tranches with an expiry date 24 months after the vesting date.

(i) Fair value of options granted

For the options granted during the current financial year, 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
1 May 22	26 Nov 24	2.84	3.06	50%	–%	2.54%	0.86
1 May 22	26 Feb 25	2.84	3.06	50%	–%	2.54%	0.91
1 May 22	26 May 25	2.84	3.06	50%	–%	2.54%	0.95

(F) GLOBAL ACQUISITION AND MATCHING EQUITY PLAN

The terms of the Global Acquisition and Matching Equity (GAME) Plan were disclosed in the GAME Plan Rules dated 22 May 2022. GAME Plan is a long-term employee share scheme available to eligible PointsBet employees. The Plan requires monthly contributions from the employee's after-tax remuneration and every six months the Company purchases shares on behalf of the employee. The employee receives one matching right for every two PointsBet Holding Limited shares which vest after two years.

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

	NUMBER OF RIGHTS	AVERAGE SHARE PRICE AT FAIR VALUE
As at 1 July 2021	–	–
Granted during the year	17,114	3.93
Forfeited during the year	(412)	(3.93)
As at 30 June 2022	16,702	3.93

(G) EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2022 $'000	2021 $'000
Options issued under employee option plan (ESOP) and Key Employee Equity Plan (KEEP)	**9,523**	6,409

(H) OTHER SHARE-BASED PAYMENT TRANSACTIONS

Total value of shares issued in consideration for Marketing and Sponsorship related services were as follows:

OTHER SHARE BASED OPTIONS	2022 $'000	2021 $'000
Shares issued relating in consideration for Marketing and Sponsorship related services	**3,028**	1,302
Total	**3,028**	1,302

24. LOSS PER SHARE

(A) BASIC AND DILUTED LOSS PER SHARE

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
From continuing operations attributable to the ordinary equity holders of the company	**104.8**	97.3
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	**104.8**	97.3

(B) RECONCILIATIONS OF LOSSES USED IN CALCULATING LOSS PER SHARE

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Basic loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic loss per share:		
From continuing operations	**(267,689)**	(187,733)
Total loss for the period	**(267,689)**	(187,733)

(C) WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED AS THE DENOMINATOR IN CALCULATING BASIC AND DILUTED LOSS PER SHARE

	30 JUNE 2022 SHARES '000	30 JUNE 2021 SHARES '000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**255,424**	193,012
Adjustments for calculation of diluted earnings per share:		
Options	**88,217**	99,917
Performance Share Rights	**1,794**	715
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**345,436**	293,645

(D) INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES

(i) Options

Options granted to employees under the Employee Option Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required vesting condition have been met based on time-based vesting condition and to the extent to which they are dilutive. The options have not been included in determination of basic earnings per share.

(ii) Performance share rights granted under the KEEP (Key Employment Equity Plan) and GAME (Global Acquisition and Matching Equity Plan)

Performance share rights granted under the KEEP and GAME to employees under the Employee Option Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required vesting condition and satisfactory employee performance conditions have been met and to the extent to which they are dilutive. The performance share rights have not been included in determination of basic earnings per share.

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

25. CASH FLOW INFORMATION

(A) RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	NOTES	2022 $'000	2021 $'000
Loss for the year		**(267,689)**	(187,733)
Adjustments for:			
Depreciation and amortisation	8	**31,353**	12,228
Share option expense	8	**9,523**	7,004
Net exchange differences	7	**(14,127)**	8,658
Income tax expense	9	**(2,558)**	(558)
Other non-cash adjustments		**–**	37
Impairment Loss		**151**	1,308
R&D income	7	**(418)**	(235)
Finance income	7	**–**	(824)
Interest expenses on convertible notes	7	**5,695**	3,389
Fair value gain on conversion of convertible notes	7	**(2,062)**	–
(Increase)/decrease in trade and other receivables		**1,861**	(1,602)
(Increase) in other assets		**(5,690)**	(16,624)
Increase in trade and other payables and deferred income		**7,327**	23,807
Increase in contract liabilities		**12,264**	–
Increase in player cash accounts		**15,296**	19,030
Increase in deferred tax liability		**2,945**	10,144
Increase in other liabilities/provisions		**8,600**	2,830
Net cash outflow from operating activities		**(197,529)**	(119,141)

26. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

(A) RSM AUSTRALIA PARTNERS

(i) Audit and other assurance services

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Audit and review of financial statements	**286,100**	175,840
Total remuneration for audit and other assurance services	**286,100**	175,840

(ii) Other Services

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Other services	–	43,266
Total remuneration for other services	–	43,266
Total auditors' remuneration	**286,100**	219,106

(B) MEMBER FIRMS OF RSM AUSTRALIA

(i) Audit and other assurance services

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Audit and review of financial statements	**428,555**	223,522
Total remuneration for audit and other assurance services	**428,555**	223,522

(ii) Other Services

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Other services	–	95,468
Total remuneration for other services	–	95,468
Total auditor's remuneration	**428,555**	318,990

27. COMMITMENTS AND CONTINGENCIES

The group had no contingent liabilities and no contingent assets as at 30 June 2022 (2021: nil).

(A) CAPITAL COMMITMENTS

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Sportsbook Fitout		
Within one year	**801**	5,389
Later than one year but not later than five years	**4,355**	534
Total	**5,157**	5,923
Licenses and market access		
Within one year	**–**	177
Later than one year but not later than five years	**–**	–
Total	**–**	177

(B) OTHER COMMITMENTS

Commitments for the payment of operational expenses under long-term contracts in existence at the reporting date but not recognised as liabilities, payable:

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Within one year	**9,519**	4,335
Later than one year but not later than five years	**39,748**	17,342
Total	**49,267**	21,677

28. RELATED PARTY TRANSACTIONS

(A) PARENT ENTITIES

The group is controlled by the following entities:

NAME	TYPE	PLACE OF INCORPORATION	2022	2021
PointsBet Holdings Limited	Immediate and ultimate group parent entity	Australia	**100%**	100%

(B) SUBSIDIARIES

Interests in subsidiaries are set out in Note 29.

(C) KEY MANAGEMENT PERSONNEL AND NON-EXECUTIVE DIRECTOR REMUNERATION COMPENSATION

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Short-term employee benefits	**2,912**	2,163
Post-employment benefits	**330**	150
Long-term benefits	**41**	18
Share-based payments	**2,450**	2,422
Total	**5,733**	4,753

(D) TRANSACTIONS WITH OTHER RELATED PARTIES

The following transactions occurred with related parties.

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Sales and purchases of goods and services		
Payment for services from Mills Oakley (AP Symons)	**8**	245
Payment for services from Druvstar (MG Singh)	**1,420**	683
Payment for services from Recastled (KM Gada)	**151**	–
Total	**1,579**	928

AP Symons, a Non-Executive Director, is a Partner at Mills Oakley Lawyers, the company's Australian legal advisor and material services provider to the company.

MG Singh, an Executive Director, is the founder, owner and director of Druvstar, the Company's managed security services provider. Manjit receives no compensation from Druvstar, has no operational day-to-day control of the business and transacts on an arm's-length basis with the company.

KM Gada, a Non-Executive Director, is the founder and owner of Recastled, the Company's strategic advisor.

The following balances are outstanding at the end of the reporting year in relation to transaction with related parties:

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Current payables (purchases of goods and services)		
Payment for services from Mills Oakley (AP Symons)	**–**	–
Payment for services from Druvstar (MG Singh)	**35**	–
Payment for services from Recastled (KM Gada)	**–**	–
Total	**35**	–

(E) TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions and at market rates.

(F) LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date.

29. INTEREST IN SUBSIDIARIES

(A) MATERIAL SUBSIDIARIES

The group's principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

NAME OF ENTITY	PLACE OF BUSINESS/COUNTRY OF INCORPORATION	2022 %	2021 %	PRINCIPAL ACTIVITIES
PointsBet Australia Pty Ltd	Australia	**100**	100	Online sports betting
PointsBet Pty Ltd	Australia	**100**	100	Software development
PointsBet USA Holding Inc	USA	**100**	100	Holding company
PointsBet USA Inc	USA	**100**	100	Holding company
PB Tech & Advisory LLC	USA	**100**	100	Gaming support services
PointsBet New York LLC	USA	**100**	100	Online sports betting
PointsBet New Jersey LLC	USA	**100**	100	Online sports betting, iGaming
PointsBet Colorado LLC	USA	**100**	100	Online sports betting
PointsBet Illinois LLC	USA	**100**	100	Online and retail sports betting
PointsBet Iowa LLC	USA	**100**	100	Online and retail sports betting
PointsBet Michigan LLC	USA	**100**	100	Online sports betting, iGaming
PointsBet Michigan Retail LLC	USA	**100**	100	Retail sports betting, (Dormant entity)
PointsBet West Virginia LLC	USA	**100**	100	Online sports betting, iGaming
PointsBet Indiana LLC	USA	**100**	100	Online sports betting
PointsBet Ohio LLC	USA	**100**	100	Dormant entity
PointsBet Kansas LLC	USA	**100**	100	Dormant entity
PointsBet Pennsylvania LLC	USA	**100**	100	Online sports betting, iGaming
PointsBet Maryland LLC	USA	**100**	100	Dormant entity
PointsBet Arizona LLC	USA	**100**	100	Dormant entity
Premier Turf Club LLC	USA	**100**	100	Pari-mutuel ADW (Advanced Deposit Wagering Services)
PointsBet Tennessee LLC	USA	**100**	–	Dormant entity
PointsBet Louisiana LLC	USA	**100**	–	Dormant entity
PointsBet Massachusetts LLC	USA	**100**	–	Dormant entity
PointsBet Wyoming LLC	USA	**100**	–	Dormant entity
PointsBet Virginia LLC	USA	**100**	–	Online sports betting
PointsBet Texas LLC	USA	**100**	–	Dormant entity
PointsBet Connecticut LLC	USA	**100**	–	Dormant entity
PointsBet Canada Holdings Inc.	Canada	**100**	–	Holding company
PB Canada Support Inc.	Canada	**100**	–	Support services to online sports betting and iGaming
PointsBet Canada Operations 1 Inc.	Canada	**100**	–	Online sports betting, iGaming
PointsBet Europe Limited	Europe	**100**	100	Holding company
Banach Technology Limited	Europe	**100**	100	B2B Services, Software Development
Banach Pty Ltd	Australia	**100**	100	Software development (Dormant entity)
PointsBet UK Limited	United Kingdom	**100**	–	Support services

30. PARENT ENTITY FINANCIAL INFORMATION

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Balance sheet		
Current assets	**431,668**	193,037
Non-current assets	**899,487**	598,643
Total assets	**1,331,155**	791,680
Current liabilities	**2,861**	1,547
Non-current liabilities	**79,762**	76,157
Total liabilities	**82,623**	77,704
Net assets	**1,248,532**	713,976
Share capital	**1,197,010**	666,130
Other reserves	**78,768**	74,967
Accumulated losses	**(27,248)**	(27,121)
Total equity	**1,248,530**	713,976
Loss for the year	**(127)**	(21,688)
Total comprehensive loss	**(127)**	(21,688)

(A) GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The parent entity did not enter any guarantees as at 30 June 2022 or 30 June 2021.

(B) CONTINGENT LIABILITIES OF THE PARENT ENTITY

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021. For information about guarantees given by the parent entity, please see above.

(C) CONTRACTUAL COMMITMENTS OF THE PARENT ENTITY

The parent entity did not have contractual commitment as at 30 June 2022 or 30 June 2021.

(D) DETERMINING THE PARENT ENTITY FINANCIAL INFORMATION

The accounting policies of the parent entity are consistent with those of the group, as disclosed in Note 1, except for the following:

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of PointsBet Holdings Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iii) Share-based payments

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting year as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

31. BUSINESS COMBINATIONS

ACQUISITION OF PREMIER TURF CLUB, LLC – BETPTC.COM

On 1 June 2021, the Company via its wholly owned subsidiary PointsBet USA Inc. completed the acquisition of Premier Turf Club, LLC ("PTC").

Premier Turf Club is an active pari-mutuel Advance Deposit Wagering (ADW) operator, licensed by the Oregon Racing Commission and is set to situate PointsBet within the growing US online racing market (thoroughbreds, harness and greyhounds) as the Company continues its rapid expansion across the United States.

Under the membership interest purchase agreement, the transaction highlights include:

- Cash consideration of US$2.7 million
- Deferred consideration payments of US$0.2 million payable over 12 equal monthly instalments.

The Acquisition meets the requirements of AASB 3 Business Combinations and has been completed therefore PTC has been consolidated into the financial statements of the Group from the date of the acquisition, being 1 June 2021. The acquisition accounting has now been finalised as at 30 June 2022.

Goodwill has been measured as the excess of consideration over the identifiable net assets of PTC.

Details of the acquisition are as follows:

	FAIR VALUE $'000
Cash and cash equivalents	**846**
Prepayments and Other Assets	**80**
Intangible assets	**452**
Player cash accounts	**(788)**
Trade payables	**(448)**
Total identifiable net assets at fair value	**142**
Goodwill arising on acquisition	**3,339**
Purchase consideration	**3,481**
Acquisition costs expensed to profit or loss	**226**
Purchase consideration:	
Cash consideration	**3,489**
Deferred consideration	**261**
Working capital adjustment	**(269)**
Total purchase consideration	**3,481**

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2022, 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. No matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

for the 12 months ended 30 June 2022

In the directors' opinion:

a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001. Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors.

BWF Paton
Chairman

Cremorne
31 August 2022

Celebrating 100 Est.1922 in Australia

RSM

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Directors of PointsBet Holdings Limited

Opinion

We have audited the financial report of PointsBet Holdings Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Revenue recognition Refer to Note 6 in the financial statements	
The Group earned revenue from customers of $289 million from sports betting revenue and iGaming revenue. The completeness and accuracy of revenue recognised is dependent on the interfacing systems within the betting platform, and is reliant on the IT control environment and the controls around reconciling reports received from the betting platform. The accuracy of net revenue reported may be impacted by a failure of the betting platform to correctly measure wins and losses in accordance with AASB 9 *Financial Instruments*.	Our audit procedures in relation to betting wins and losses included: • Testing IT general controls of the systems within the betting platform including the interface between these systems and the completeness and accuracy of reports generated from the betting platform; • Performing data analytics testing on the data held in the Australian betting platform and the data warehouse (collectively "the systems") to ensure the systems accurately reflect all bets made. The assessment procedures involved the use of data analytic testing on extracts of the systems, in addition to client walkthroughs and sample testing where data analytics may not be suitable. The testing covered both the integrity of the data itself and the integrity of the systems as a collective; • Performing detailed cut-off testing on a sample of bets placed to confirm their appropriate settlement and check that the win or loss was recorded in the correct period; and • Performing detailed testing on a sample of player accounts to confirm the existence of the customer.

Key Audit Matters (continued.)

Key Audit Matter	How our audit addressed this matter
Impairment of intangible assets Refer to Note 14 in the financial statements	
The Group has $212 million of Intangible Assets as at 30 June 2022. This balance includes $111 million of US licences and market access rights, along with $35 million of goodwill in relation to prior year acquisitions. Management is required to assess the intangible assets for impairment in accordance with AASB 136 *Impairment of Assets*, with a value in use cashflow model needing to be prepared for each identified cash-generating-unit (CGU). There is an inherent risk that the future cash flows of each CGU do not support the carrying value of intangible assets. Managements’ assessment of the ‘value in use’ of the CGU involves judgements about the future underlying cash flows of the CGU and the discount rates applied to them. For the year ended 30 June 2022 management have performed an impairment assessment over the US licence and market access rights and Goodwill by: • Identifying the CGU to which the intangible asset belongs; • Calculating the value in use for the CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for the CGU for 10 years. - The model for goodwill includes a terminal growth rate applied to the 10th year as goodwill is an indefinite life asset. - The model for US licence and market access rights does not include a terminal growth calculation as they are finite life assets. These cash flows were then discounted to net present value using CGU specific weighted average cost of capital (“WACC”); and • Comparing the resulting value in use of the CGU to the respective book values.	Our audit procedures in relation to impairment of intangibles included: • Assessing management’s determination of the CGU applied to the goodwill and other intangible assets based on the nature of the Group’s business and the manner in which results are monitored and reported; • Assessing the overall valuation methodology used to determine the value in use; • Checking the mathematical accuracy of the discounted cash flow models and reconcile input data to supporting evidence; • Considering and challenging the reasonableness of key assumptions, including the cash flow projections, budgets, revenue growth rated, discount rates and sensitivities used; and • Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of PointsBet Holdings Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 31 August 2022
Melbourne, Victoria

SHAREHOLDER INFORMATION

DISTRIBUTION OF EQUITY SECURITIES AS AT 17 AUGUST 2022

RANGE	TOTAL HOLDERS	UNITS	% UNITS
1–1,000	15,344	5,363,210	1.76
1,001–5,000	6,277	14,802,669	4.85
5,001–10,000	1,273	9,312,637	3.05
10,001–100,000	1,095	27,307,789	8.95
100,001 Over	131	248,375,272	81.39
Rounding			0.00
Total	**24,120**	**305,161,577**	**100.00**

LESS THAN MARKETABLE PARCELS OF ORDINARY SHARES AT 17 AUGUST 2022

RANGE	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $500.00 parcel at $3.6000 per unit	139	4,717	361,525

SUBSTANTIAL SHAREHOLDERS 17 AUGUST 2022

As at 17 August 2022, the following shareholders were registered by the Company as a substantial shareholder, having notified the Company of a relevant interest in accordance with section 671B of the Corporations Act 2001 (Cth), in the voting shares below:

HOLDER OF EQUITY SECURITIES	CLASS OF EQUITY SECURITIES	NUMBER OF EQUITY SECURITIES HOLD	% OF TOTAL ISSUED SECURITIES IN RELEVANT CLASS
SIG Sports Investment Corp	Ordinary Shares	38,811,680	12.78%
HG Vora Group	Ordinary Shares	27,500,000	10.45%
Brett Paton	Ordinary Shares	15,498,105	5.10%

TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 17 AUGUST 2022

RANK	NAME	UNITS	% UNITS
1	SIG SPORTS INVESTMENTS CORP	38,750,000	12.70
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	31,392,538	10.29
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,361,268	7.98
4	CITICORP NOMINEES PTY LIMITED	20,984,946	6.88
5	PENN INTERACTIVE VENTURES LLC	17,009,128	5.57
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	13,318,270	4.36
7	NBCUNIVERSAL MEDIA LLC	10,043,696	3.29
8	UBS NOMINEES PTY LTD	10,001,294	3.28
9	MR BRETT WILLIAM FISHER PATON + MRS VICKI ANNE PATON <BRETT PATON FAMILY SUPER A/C>	6,939,057	2.27
10	ELMSLIE SUPERANNUATION COMPANY PTY LTD <ELMSLIE FAMILY	6,151,634	2.02
11	UBS NOMINEES PTY LTD	5,360,657	1.76
12	BNP PARIBAS NOMS PTY LTD <DRP>	4,201,966	1.38
13	NATIONAL NOMINEES LIMITED	3,961,496	1.30
14	GREAT WHITE SHARK SERVICES PTY LTD <THE BRETT PATON	3,631,769	1.19
15	ARKINDALE PTY LTD <B N SINGER(NO 2)FAMILY A/C>	3,385,477	1.11
16	KAT & ANDY PTY LTD <FAHEY FAMILY 1 A/C>	3,123,536	1.02
17	JOHNJUDITH PTY LTD <BIG SWAN A/C>	2,309,767	0.76
18	TYARA PTY LIMITED <BRUCE WC WILSON PROPERTY A/C>	2,255,683	0.74
19	MR BRETT WILLIAM FISHER PATON	2,116,515	0.69
20	MRS MELISSAH JEAN MULLIN	1,981,846	0.65
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**211,280,543**	**69.24**
	Total Remaining Holders Balance	**93,881,034**	**30.76**

SECURITIES SUBJECT TO VOLUNTARY ESCROW AS AT 17 AUGUST 2022

CLASS OF RESTRICTED SECURITIES	NUMBER OF SECURITIES	END DATE OF ESCROW PERIOD
Ordinary Shares	14,369	10/02/2023
Ordinary Shares	485,116	20/04/2023
Ordinary Shares	67,647	16/07/2023
Ordinary Shares	10,043,696	17/11/2023
Ordinary Shares	14,369	10/02/2024
Ordinary Shares	485,116	20/04/2024
Ordinary Shares	67,647	16/07/2024
Ordinary Shares	38,811,680	20/07/2024

UNQUOTED EQUITY SECURITIES AS AT 17 AUGUST 2022

The number of each class of unquoted equity securities on issue, and the number of holders in each such class, are as follows:

CLASS OF EQUITY SECURITIES	NUMBER OF UNQUOTED EQUITY SECURITIES	NUMBER OF HOLDERS
Performance Share Rights	13,842,560	239
Matched Rights	16,702	87
Options to acquire Ordinary Shares	75,179,526	91
Deferred Bonus Equity Option	14,987,002*	23,916

* Where the Company calls the DBEO (Company Election), each DBEO entitles the holder acquire $10 worth of ordinary PointsBet shares at a 20% discount to the arithmetic average of the daily VWAP per ordinary PointsBet share traded on the ASX during the pricing period.

VOTING RIGHTS

At meetings of shareholders, each shareholder may vote in person or by proxy, attorney or (if the shareholder is a body corporate) corporate representative. On a poll every shareholder present in person or by proxy or attorney has one vote for each fully-paid ordinary share. Performance share right holders have no voting rights.

REGULATORY CONSIDERATIONS AFFECTING SHAREHOLDERS

PointsBet Holdings Limited and its subsidiaries could be subject to disciplinary action by wagering and gaming authorities in some jurisdictions if, after receiving notice that a person is unsuitable to be a shareholder, that person continues to be a shareholder. Because of the importance of licensing to the Company and its subsidiaries, the Constitution contains provisions that may require shareholders to provide information and also gives the Company powers to divest or require divestiture of shares, suspend voting rights and withhold payments of certain amounts to shareholders or other persons who may be unsuitable.

SHAREHOLDER ENQUIRIES

You can access information about PointsBet Holdings Limited and your holdings via the internet. PointsBet's investor website, www.pointsbet.com.au/investors, has the latest information on Company announcements, presentations and reports. In addition, there is a link to the Australian Securities Exchange to provide current share prices. The share registry manages all your shareholding details. Visit https://www-au.computershare.com/investor/ and access a wide variety of holding information, make changes to your holding record and download forms. You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

DIVIDENDS

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to PointsBet's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

USE OF CASH

The Company's use of cash (and assets in a form readily convertible to cash) that it had at the time of admission to the Australian Securities Exchange is consistent with its business objectives as set out in the Review of Operations forming part of this Annual Report.

OTHER INFORMATION

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act that have not yet been completed.

33,451 securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

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CORPORATE DIRECTORY

DIRECTORS

BWF Paton
Non-Executive Chairman

S Swanell
Group Chief Executive Officer
and Managing Director

P D McCluskey
Non-Executive Director

A P Symons
Non-Executive Director

B K Harris
Non-Executive Director

KM Gada
Non-Executive Director

M Gombra-Singh
Non-Executive Director

A J Hensher
Company Secretary

GLOBAL OFFICES

AUSTRALIA

Global Headquarters

Cremorne
Level 2, 165 Cremorne Street
Cremorne VIC 3121
Australia

Darwin
Tenancy 2
20 Dick Ward Drive, Fannie Bay
Darwin NT 0820
Australia

Gold Coast
1/3 Atlantic Avenue
Mermaid Beach
QLD 4218
Australia

UNITED STATES

New Jersey
Suite 1710, 185 Hudson Street,
Jersey City, New Jersey, 07311
United States of America

Denver
Level 9, 1331 17th Street
Denver, Colorado, 80202
United States of America

CANADA

111 Peter Street
Suite 700
Toronto Ontario M5V 2H1
Canada

IRELAND

5th Floor, The Eight Building
8 Newmarket, The Liberties
Dublin 8, D08 T2TX
Ireland

INVESTOR CONTACTS

SHARE REGISTRY

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria, 3067
Australia

Telephone: 1300 555 159 (Australia) and
+61 3 9415 4062 (Overseas)

Website: https://www-au.computershare.com/investor/

AUDITOR

RSM Australia
Level 21
55 Collins Street
Melbourne VIC 3000

AUSTRALIA STOCK EXCHANGE LISTING

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

CODE: PBH (OTCQX: PBTHF)

INTERNET SITE

www.investors.pointsbet.com.au

INVESTOR EMAIL ADDRESS

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