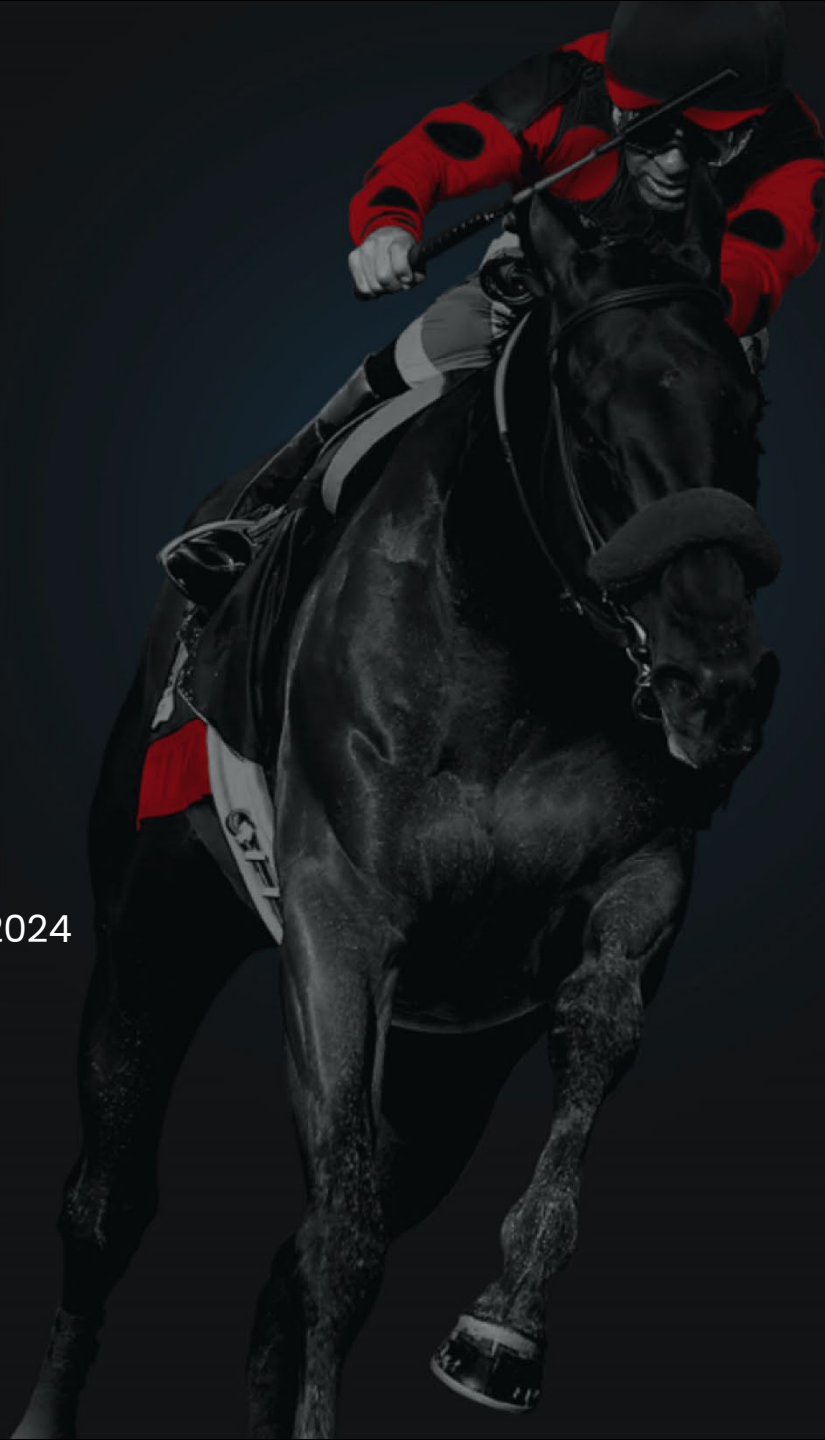


*POINTS*BET

Q4 FY24 : QUARTERLY ACTIVITIES REPORT | July 2024



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Q4 FY24 KEY HIGHLIGHTS

Completion of US Business Sale and Successful Capital Return

- **Subsequent Completion of sale to Fanatics Betting and Gaming occurred on 4 April 2024**, with the Company receiving US\$50 million, representing the final instalment of the headline purchase price of **US\$225 million¹**
- **Completed complex technical and operational migration, separation, and re-organisation** over a 10-month transaction close period
- **Second tranche of the Capital Return of \$126.9m (representing \$0.39 per share)** was completed on **16 May 2024**
- The Board is pleased to have returned a total of A\$442.4 million to shareholders across the First and Second Capital Return
- ATO Class Ruling confirms that no part of the First or Second Capital Return will be assessable as a dividend

Outstanding Finish to FY24²

- **FY24 Normalised EBITDA is expected to be \$(1.8)m, a \$2.2m improvement on the upper end of upgraded EBITDA Guidance** of \$(4.0)m. This is a \$47.2m improvement on the Normalised EBITDA of \$(49.0)m in FY23
- **Q4 Group Net Win of \$68.4m, up 12% on the PCP**
- **FY24 Group Net Win of \$267.1m, up 16% on FY23**
- Post Capital Return, the Company has **\$28.1m** of Corporate Cash as at 30 June 2024. The Company is **well capitalised to invest for further growth, and executing ongoing operational and strategic plans**
- **Record Quarterly Cash Flow performance, with Q4 Net Cash Flow³ of \$7.1m**

GROUP Q4 FY24 AND FY24 TRADING METRICS

<i>All figures in A\$</i>		Q4 FY24	Q4 FY23	PCP	FY24	FY23	YoY
SPORTS BETTING	Turnover / Handle¹	\$668.0m	\$544.8m	+23%	\$2,931.8m	\$2,827.3m	+4%
	Gross Win² Margin %	12.7%	13.9%	(1.1pp)	11.5%	11.4%	+0.2pp
	Gross Win	\$85.0m	\$75.6m	+13%	\$338.2m	\$321.4m	+5%
	Net Win³ Margin %	9.7%	10.6%	(0.9pp)	8.5%	7.7%	+0.7pp
	Net Win	\$64.7m	\$57.5m	+12%	\$248.3m	\$218.5m	+14%
iGAMING	Net Win	\$3.8m	\$3.6m	+4%	\$18.8m	\$11.5m	+63%
TOTAL	Total Net Win	\$68.4m	\$61.1m	+12%	\$267.1m	\$230.0m	+16%

✓ **Combined Australian and Canadian business delivered Net Win of \$68.4m, up 12% on the PCP**

✓ **Net cash flow of \$7.1m for the quarter⁴**

✓ **Normalised EBITDA⁵ of \$(1.8)m exceeded the upper end of upgraded guidance**

✓ **The Company continues to grow market share in Australia and Canada**

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. Underlying net cash flows excluding movement in player cash accounts, non-recurring investing activities such as proceeds / payments related to the US Business Sale or Discontinued Operations and any proceeds from capital raises.
5. Normalised EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation excluding any US Business Sale transaction related costs, share based payments, discontinued operations and any one-off items.

AUSTRALIA Q4 FY24 AND FY24 TRADING METRICS

<i>All figures in A\$</i>		Q4 FY24	Q4 FY23	PCP	FY24	FY23	YoY
SPORTS BETTING	Turnover / Handle¹	\$602.7m	\$502.3m	+20%	\$2,676.8m	\$2,632.6m	+2%
	Gross Win² Margin %	13.0%	14.4%	(1.3pp)	11.8%	11.7%	+0.0pp
	Gross Win	\$78.6m	\$72.3m	+9%	\$315.2m	\$309.1m	+2%
	Net Win³ Margin %	10.0%	11.1%	(1.1pp)	8.7%	8.0%	+0.7pp
	Net Win	\$60.1m	\$55.6m	+8%	\$233.1m	\$211.7m	+10%

- ✓ **Net Win growth of 8% vs the PCP**, underscoring continued market share growth
- ✓ **227.9k Cash Active Clients⁴**, up 3% from Q3 FY24
- ✓ **Strong gross win margin performance of 13%**, at the upper end of long term average

- ✓ **Achieved Net Win growth across both VIP and Mass Market** cohorts
- ✓ In Q4 FY24, **\$27.3M** in GST, Point of Consumption Tax, and Product Fee payments to Australian Governments and Racing and Sports Bodies, representing 45% of Net Win.
- ✓ **Double digit Net Win growth** vs PCP across Sports, and single digit growth across Racing

AUSTRALIA POINTSBET SUPPORTS GAMBLING ADVERTISING REFORM

Our FY24/FY25 advertising strategy reduces the risk of exposure of gambling brands to minors and families



PointsBet has stopped

1	Gambling ads on Free to Air TV during <u>family</u> time (6am – 9:30pm)
2	Gambling odds updates and ads in and around live Sport on Free to Air TV
3	Gambling brands in Field of play – jerseys, perimeter fences, coaches, stadiums, grass (Waived rights to Manly Sea Eagles & Cronulla Sharks from 2025 onwards)
4	Advertising of Gambling promotions to new customers (Extend the NSW model nationally)
5	We support full restrictions of off-shore gambling brands on visiting team jerseys and in broadcasts from overseas tours (e.g. Dafabet West Indies tests)



PointsBet is Prioritising

1	Limited gambling advertising on free to air TV during <u>adult</u> time (after 9:30pm in select shows)
2	Odds updates and ads in live Racing broadcasts on Free to Air TV (Limited promotion, prioritise product & brand)
3	Sports programming on broadcast platforms with capability for age verification, sign in, opt out (Streaming, OTT, Subscription based)
4	Offer promotions on a One to One basis to existing customers
5	Social and Digital media with appropriate protections for age verification, sign in, opt out (We support Federal Government initiatives to strengthen age verification on social media)

CANADA Q4 FY24 AND FY24 TRADING METRICS¹

<i>All figures in A\$</i>		Q4 FY24	Q4 FY23	PCP	FY24	FY23	YoY
SPORTS BETTING	Turnover / Handle¹	\$65.3m	\$42.5m	+54%	\$255.0m	\$194.8m	+31%
	Gross Win² Margin %	9.8%	7.7%	+2.0pp	9.0%	6.4%	+2.6pp
	Gross Win	\$6.4m	\$3.3m	+94%	\$23.0m	\$12.4m	+85%
	Net Win³ Margin %	7.0%	4.4%	+2.6pp	6.0%	3.5%	+2.5pp
	Net Win	\$4.6m	\$1.9m	+147%	\$15.2m	\$6.8m	+124%
iGAMING	Net Win	\$3.8m	\$3.6m	+4%	\$18.8m	\$11.5m	+63%
TOTAL	Total Net Win	\$8.3m	\$5.5m	+52%	\$34.0m	\$18.3m	+86%

✓ **Sports Betting Net Win up 147% vs the PCP**, driven by gross margin lift and improved generosity efficiency

✓ **Marketing expense reduced 11% vs the PCP**

✓ **iGaming Net Win up 4% vs the PCP**, impacted by some VIP negative variance and increased promotional activity post-Strive migration

✓ **Excellence in in-play betting product drove Cash Active Clients⁵ to 45.1k**, up 4% from Q3 FY24

1. Average AUD/CAD rate was 0.9017 for Q4 FY24 and 0.8973 for Q4 FY23. Average AUD/CAD rate was 0.8882 for FY24 and 0.9016 for FY23.

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

3. 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.

4. 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).

5. Cash Active Clients are clients that have placed a cash bet in the 12 months preceding the relevant period end.

SUMMARY OF QUARTERLY CASH FLOWS

All amounts in A\$m ¹	Q4 FY24	Q3 FY24
Receipts from customers (inclusive of GST)	68.5	70.6
Cost of sales	(23.4)	(29.7)
Sales and marketing	(13.5)	(14.0)
Staff costs	(9.1)	(9.8)
Administration, corporate costs and GST paid on Net Win	(12.3)	(11.9)
Other operating cash flows	1.2	0.2
Net cash inflow from operating activities excluding movement in player cash	11.4	5.4
Change in player cash accounts	2.2	(3.0)
Net cash inflow from operating activities	13.6	2.4
Purchase of property & equipment	0.0	0.0
Payments for capitalised software development	(4.1)	(3.3)
Other non-current assets	0.0	(0.2)
Proceeds/Payments related to disposal of businesses (Sale of US Business)	79.5	(2.8)
Funds received from PointsBet USA Holdings Inc	-	20.5
Net cash inflow from investing activities	75.4	14.2
Proceeds from exercise of share options	-	0.3
Return of Capital	(126.9)	0.0
Other financing cash flow	(0.3)	(0.2)
Net cash inflow/(outflow) from financing activities	(127.2)	0.1
Net cash flow excluding movement in player cash	(40.4)	19.7
Cash and cash equivalents at beginning of the period	79.1	61.2
Net cash flow	(38.2)	16.7
Effect of movement in exchange rates on cash held	1.3	1.2
Cash and cash equivalents at end of the period²	42.2	79.1
Corporate Cash at end of the period	28.1	67.2
Adjusted Corporate Cash at end of the period⁵	28.1	74.7

- **At 30 June 2024**, the Group had \$28.1 million of Statutory Corporate Cash
- **Company received US\$50.0 million post Subsequent Completion** on 4 April 2024³
- Second tranche of the Capital Return of **\$126.9m**, was completed on 16 May 2024
- Record quarterly cash flow performance, with Net cash inflow from Operating activities of **\$11.4m**, and Net Cash Flow⁴ of **\$7.1m** in Q4
- The company is well capitalized to invest for further growth, and execute ongoing operational and strategic plans

1. End of period AUD/CAD FX rate 0.9123.

2. Cash and cash equivalents at end of the period includes \$14.1 million in player cash accounts.

3. Plus any agreed completion adjustments.

4. Excluding US Business Sale related items.

5. Q3 FY24 Adjusted Corporate Cash included a reimbursable US Business Sale related payment which was received at Subsequent Completion in the current quarter.

ACHIEVED AND EXCEEDED FY24 PROFIT & LOSS GUIDANCE

All figures in A\$

	FY24 Guidance	FY24 (unaudited)	Achieved
NET WIN	FY24 TOTAL NET WIN TO BE 10%-20% HIGHER THAN FY23 WHICH EQUATES TO \$253-\$276M	\$267.1M <i>16% higher</i>	✓
GROSS PROFIT MARGIN	GROSS PROFIT MARGIN IN FY24 TO BE c. 50%	52.8%	✓
TOTAL MARKETING EXPENSE	FY24 TOTAL MARKETING EXPENSE TO BE 15% - 20% LOWER THAN FY23 WHICH EQUATES TO \$72-\$77M	\$71.0M <i>21% lower</i>	✓
OPERATING EXPENSE (EXCL. MARKETING EXPENSE)	FY24 NORMALISED OPERATING EXPENSES (EXCL. MARKETING EXPENSE) TO BE BETWEEN \$60 MILLION - \$70 MILLION	\$60.4M	✓
EBITDA	FY24 NORMALISED GROUP EBITDA ¹ LOSS TO BE BETWEEN (\$4 - \$6 MILLION)²	(\$1.8M)	✓

Q&A

Appendix

RELATED PARTY TRANSACTIONS AS PER ASX LISTING RULE 4.7C.3 – \$2.44m

- Payments of \$2.14m for Salaries and Wages (inclusive of Superannuation and applicable taxes withheld) of Key Management Personnel¹ and of Executive Directors and Non-Executive Directors Fees.
- Payments of \$0.30m to Arete Security Inc. d/va DruvStar, the company's managed security provider. Non-Executive Director Manjit Gombra Singh is the founder, owner and director of DruvStar. Manjit receives no compensation from DruvStar and transacts on an arms-length basis with the company.

Appendix 4C

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

Name of entity

PointsBet Holdings Limited

ABN

68 621 179 351

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	68,460	267,087
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs (Cost of Sales)	(23,329)	(106,669)
(c) advertising and marketing	(13,488)	(69,866)
(d) leased assets	-	-
(e) staff costs	(9,123)	(40,060)
(f) administration and corporate costs and GST ¹	(12,240)	(47,123)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,248	3,431
1.5 Interest and other costs of finance paid	(50)	(256)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) Net increase/(decrease) in Player Cash Accounts ²	2,161	(1,089)
1.9 Net cash from / (used in) operating activities	13,639	5,455

1. Includes GST paid to the ATO, including GST collected and paid on Receipts from Customers relating to Australian Net Win.

2. Represents Net Movement in Player Cash Accounts.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses – Sale of US Business	-	(6,730)
(c) property, plant and equipment	(9)	(75)
(d) investments	-	-
(e) intellectual property ³	(4,098)	(15,612)
(f) other non-current assets	(4)	(66)
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses – Sale of US Business ⁴	79,498	299,985
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	36
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material) Global Business Development (Market Access, licensing costs)	-	(246)
2.6 Net cash from / (used in) investing activities	75,387	277,292

³. Includes Capitalised Development Costs.

⁴. Includes initial instalment and final US Business Sale proceeds totalling \$225 million USD (plus agreed adjustments) less transaction costs such as legal, tax and financial advisor fees.

3. Cash flows from financing activities		
3.1 Proceeds related to issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds related to exercise of options	-	857
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid / Return of Capital	(126,963)	(442,369)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material) Principal repayment of Lease Liability	(268)	(1,095)
3.10	Net cash from / (used in) financing activities	(127,231)	(442,607)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	79,094	212,052
4.2	Net cash from / (used in) operating activities (item 1.9 above)	13,639	5,455
4.3	Net cash from / (used in) investing activities (item 2.6 above)	75,387	277,292
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(127,231)	(442,607)
4.5	Effect of movement in exchange rates on cash held	1,287	(10,016)
4.6	Cash and cash equivalents at end of period	42,176⁵	42,176⁵

⁵. Cash and cash equivalents at the end of the quarter includes Player Cash Accounts of **\$14.11M**.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	41,721	54,733
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Term Deposits	455	24,361
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	42,176	79,094

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	3,076
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	35	4
7.3 Other (please specify)	-	-
7.4 Total financing facilities	35	4
7.5 Unused financing facilities available at quarter end		31
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Unsecured Commonwealth Bank Corporate Credit Card Facility. Interest rate:17.57%		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	13,639
8.2 Cash and cash equivalents at quarter end (item 4.6)	42,176 ⁸
8.3 Unused finance facilities available at quarter end (item 7.5)	31
8.4 Total available funding (item 8.2 + item 8.3)	42,208
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
⁸ . Cash and cash equivalents at the end of the quarter includes Player Cash Accounts of \$14.11M . Excluding the Player Cash Accounts the balance is \$28.06M .	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

31 July 2024

Date:

Board of Directors

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

Notes

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