



## POINTSBET REJECTS BETR PROPOSAL, REAFFIRMS SUPERIOR MIXI DEAL

Melbourne, 16 June 2025

### Key highlights

- The PointsBet Board has today unanimously decided to reject the Betr Proposal
- The value of the Betr Proposal is materially below the \$1.20 in cash per PointsBet share being offered by MIXI Australia
- The decision of the PointsBet Board comes following its due diligence investigations into the Betr Proposal. The key conclusions of which are as follows:
  - the value of the cost synergies identified by Betr has been materially overstated;
  - revenue dis-synergies will also reduce the net synergies; and
  - there are significant integration and implementation challenges
- The PointsBet Board has determined that the MIXI Scheme (and the MIXI Takeover Offer) is superior to the Betr Proposal

PointsBet Holdings Limited (ASX: PBH) (**PointsBet**) refers to the proposal put forward by Betr Entertainment Limited (**Betr**) on 29 April 2025 to acquire PointsBet for cash and scrip (**Betr Proposal**).

PointsBet also refers to the PointsBet Board-recommended and agreed acquisition of 100% of the issued share capital of PointsBet by MIXI, Inc (**MIXI**) through its wholly owned subsidiary MIXI Australia Pty Ltd (**MIXI Australia**) by way of a scheme of arrangement for \$1.20 cash per PointsBet share (**MIXI Scheme**).

Today, PointsBet announced the entry into a Bid Implementation Deed with MIXI and MIXI Australia pursuant to which MIXI Australia has agreed to make an off-market takeover bid for all of the issued share capital of PointsBet at \$1.20 cash per PointsBet share conditional on the MIXI Scheme not proceeding (**MIXI Takeover Offer**).

Under the terms of the BID, MIXI Australia will announce its intention to make the MIXI Takeover Offer within 3 business days of the Scheme Meeting, if the resolution to approve the MIXI Scheme is not passed by the requisite majorities of PointsBet shareholders.

## Rejection of Betr Proposal

As previously announced on 12 May 2025 and 3 June 2025, PointsBet has been in a period of staged mutual due diligence with Betr in order to assess the Betr Proposal.

PointsBet has now completed its due diligence in all material respects and the PointsBet Board has today unanimously decided to reject the Betr Proposal. The PointsBet Board has determined, with the assistance of external advisers, that the Betr Proposal is not a 'Superior Proposal'<sup>1</sup> relative to the MIXI Scheme (or the MIXI Takeover Offer). Accordingly, discussions between PointsBet and Betr in relation to the Betr Proposal have ceased.

## Overview of the Betr Proposal

Betr was proposing to acquire the 80.1% of PointsBet's issued share capital that it does not already own (266m shares) for, at each PointsBet shareholder's election:

- cash consideration of \$1.20 per PointsBet share (subject to a maximum amount of \$181m);
- a fixed exchange ratio of ~2.7x Betr shares per PointsBet share (subject to a maximum amount of 312.5m new Betr shares) (*as at the close of trading on 13 June 2025, ~2.7x Betr shares was worth \$0.86 per PointsBet share*<sup>2</sup>); or
- a combination of the above in a proportion to be nominated by each PointsBet shareholder.

The above implies a 57%:43% funding mix of cash and scrip.<sup>3</sup>

Under the terms of the Betr Proposal, PointsBet shareholders would have been scaled back if one of the funding pools was oversubscribed.

The value for individual PointsBet shareholders would vary depending on their consideration election and the elections of other PointsBet shareholders. Under all circumstances (unless the elections of all PointsBet shareholders coincidentally aligned with the funding mix), one of the scale backs would have applied.

A consequence of the above is that the blended value for PointsBet shareholders as a whole would always be equal to 57% x \$1.20 plus 43% x the value of ~2.7x Betr shares.

In contrast, MIXI Australia is offering all shareholders \$1.20 in cash per PointsBet share.

## Assessment of the Betr Proposal using recent market prices

Consistent with the approach that would have been taken by an independent expert assessing the Betr Proposal, the PointsBet Board's initial primary assessment methodology was to consider the market value of the Betr Proposal.<sup>4</sup>

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<sup>1</sup> As that term is defined in the Scheme Implementation Deed dated 25 February 2025 in connection with the MIXI Scheme and the Bid Implementation Deed dated 16 June 2025 in connection with the MIXI Takeover Bid.

<sup>2</sup> All share price data sourced from Iress.

<sup>3</sup> The aggregate cap of \$181m in relation to the cash option implies 151m shares can be acquired for \$1.20 per PointsBet share (57% of the 266m shares proposed to be acquired by Betr). This implies that 115m shares would be acquired for scrip (43% of 266m).

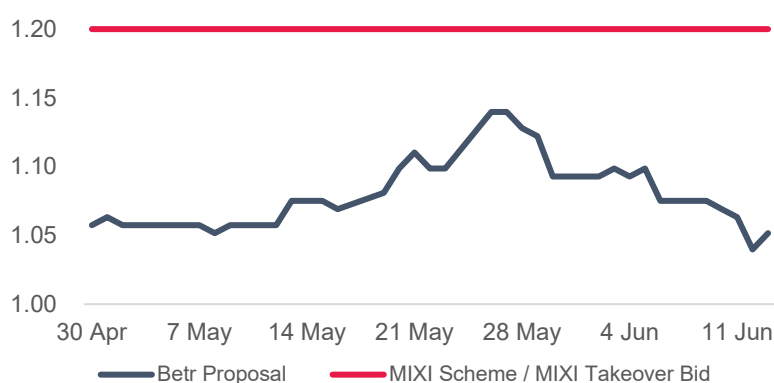
<sup>4</sup> Refer to ASIC Regulatory Guide 111: Content of Expert Reports.

At Betr's undisturbed price of \$0.30 per Betr share (being its closing price on 24 April 2025), the Betr Proposal was worth \$1.03 per PointsBet share.<sup>5</sup>

At the price at which Betr raised capital in connection with the Betr Proposal (\$0.32 per Betr share), the Betr Proposal was worth \$1.06 per PointsBet share.

Since the announcement of the Betr Proposal, its value has varied between \$1.04 and \$1.14 per PointsBet share as a result of changes to the Betr share price, and as at close of trading on 13 June 2025 the value equated to \$1.05 per PointsBet share.

The values noted in the preceding paragraph are materially below the \$1.20 in cash per PointsBet share offered under the MIXI Scheme or, if the MIXI Scheme is not approved by PointsBet shareholders, the MIXI Takeover Offer:



Having regard to recent market prices, the PointsBet Board has determined that the MIXI Scheme (and the MIXI Takeover Offer) are superior to the Betr Proposal.

### **Assessment of the Betr Proposal having regard to longer term considerations**

As noted above, the PointsBet Board's initial primary assessment methodology was to consider the market value of the Betr Proposal. However, PointsBet has also considered the potential longer term implications of the Betr Proposal and how these considerations might be relevant to a judgment as to whether the Betr Proposal can be regarded as superior to the MIXI Scheme (or the MIXI Takeover Offer).

The due diligence work recently undertaken by PointsBet has been central to its assessment of these longer term considerations.

The key conclusions of PointsBet's due diligence investigations are as follows:

- the value of the cost synergies identified by Betr has been materially overstated, having regard to PointsBet's view of the brand and digital investment required to sustain growth and retain customers, and the levels of product and technology investment required to sustain a 'number four' market position (especially in the higher growth 'sports' category, where PointsBet is currently much stronger than Betr);

<sup>5</sup> All offer values calculated as (Betr share price x 312.5m + \$181m) / 266m.

- revenue dis-synergies will also reduce the net synergies, as a result of the high levels of customer cross-over between PointsBet and Betr and expected customer behaviour (informed by historical transaction data, including Betr's transaction with BlueBet); and
- there are significant integration and implementation challenges, with Betr assuming that PointsBet's Canadian business can be carved out and large synergies realised concurrently (which will likely further reduce the achievability of synergies).

The due diligence investigations undertaken by PointsBet reinforce the view of the PointsBet Board that the value of the Betr Proposal is materially below the \$1.20 in cash per PointsBet share being offered by MIXI Australia.

The PointsBet Board notes that its own assessment of the value of the Betr Proposal differs materially to that of Betr. The key reason for the difference in value is that the calculations underpinning Betr's value are reliant on a number of assumptions that PointsBet considers to be unrealistic, including:

- synergies being materially overstated, and the timeframe for their achievement being too optimistic;
- no consideration of implementation costs; and
- an unrealistically high trading multiple applied to run-rate synergies (and Betr's estimates of future PointsBet and Betr EBITDA).

### **Advisers**

Flagstaff Partners is acting as financial adviser and Baker McKenzie is acting as legal adviser to PointsBet.

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

**– Ends –**

### **For further information please contact:**

For investors

#### **Alister Lui**

Group Chief Financial Officer

[alister.lui@pointsbet.com](mailto:alister.lui@pointsbet.com)