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POINTS**BET**

Acquisition of Banach Technology Ltd

March 2021



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EXECUTIVE SUMMARY

TRANSACTION OVERVIEW

- PointsBet Holdings Limited ("PointsBet" or the "Company", ASX: PBH) has entered into a binding agreement to acquire Banach Technology Limited ("Banach"), a leading sports betting product provider located in Dublin, Ireland
- Completion is expected to occur in April 2021, subject to customary conditions to completion
- The acquisition is highly strategic and is expected to significantly accelerate the development of PointsBet's proprietary in-play, pre-game and free-to-play offering and technology

BANACH TECHNOLOGY

- Established in 2015, Banach is a market leading B2B provider of in-play, pre-game and free-to-play trading platforms and algorithms that support complex betting products (including for the four major American sports⁽¹⁾ and international soccer) and risk management platforms
- Deeply experienced team with a strong background in sports betting in leading in-play wagering markets, having previously established the Quants division of Paddy Power plc (now Flutter Entertainment plc)
- Complements PointsBet's existing global technology team with the addition of 40 technology and product specialists and the establishment of PointsBet's first European operations

STRATEGIC RATIONALE

- The acquisition accelerates and strengthens PointsBet's technology and product roadmap, by delivering:
 - 40 leading professionals from advanced sports betting markets, increasing PointsBet's global technology and product team headcount by circa 30%; and
 - Market leading models, platforms and products, with a focus on in-play capability
- Continued execution of PointsBet's product and technology roadmap ensures PointsBet:
 - Delivers best-in-class sports betting products and capabilities, enabling PointsBet to become a market leader for in-play betting, player props and parlay products on US sports
 - Increased life-time value of customers through increased share of wallet, gross margin efficiency and improved customer experience / retention

TRANSACTION FUNDING

- Consideration on a cash free and debt free basis of US\$43m subject to customary adjustments, to be paid 55% cash and 45% in new PointsBet shares (shares to be escrowed for between 12 – 36 months)
 - The cash component will be funded using existing cash on hand, with the scrip component to be completed via the issue of 1.75 million new PointsBet shares⁽²⁾
 - The Company will also provide Banach US\$4.0m in funding to assist in the conversion process of existing equity options. This amount will be retained by the PointsBet Group post completion of the transaction

BANACH

COMPLEXITY SIMPLIFIED

- Established in 2015, Banach is a market leading technology team with deep experience creating products in a mature and sophisticated sports wagering market
- Founded by Mark Hughes, Alex Zevenbergen, Hadrien Lepretre and Rob Reck, all of whom played a leading role:
 - In the establishment of the Quants department at Paddy Power plc (now Flutter Entertainment plc)
 - The delivery of quant powered, automated sports betting products for Paddy Power owned businesses in Europe, Australia and USA
- The four key executives have a combined c. 60 years of experience in sports wagering, and are supported by a best-in-class team
 - Unique experience with a globally scarce in-play skillset
- Banach has a portfolio of proprietary models supporting complex betting products across multiple sports with a choice of integration options and trader tools
- Key customers have included the largest sports wagering companies in the world
- Head office in Dublin, Ireland, and an office in Melbourne, Australia

UK & EUROPE

Leading in-play sports wagering market

SECURES MARKET LEADING TALENT

Banach delivers significant scale and best-in-class talent to PointsBet's technology and product team from a sophisticated sports wagering market. The four key executives have c. 60 years' combined experience in developing gaming technology

KEY ADDITIONS TO THE POINTSBET TEAM⁽¹⁾

Mark Hughes

Group COO⁽¹⁾



EXPERIENCE

Founder & CEO
Banach Technology

2015 – 2021

Head of Quants
Paddy Power plc

2012 – 2014

Senior Quantitative Analyst
Paddy Power plc

2008 – 2014

Alex Zevenbergen

VP of Engineering,
Trading Platform⁽¹⁾



EXPERIENCE

Founder & CTO
Banach Technology

2015 – 2021

Senior Software Engineer
Paddy Power plc

2008 – 2015

Hadrien Lepretre

VP of Quantitative
Analytics⁽¹⁾



EXPERIENCE

Founder & Chief Analytics Officer
Banach Technology

2015 – 2021

CEO
Quantitative Logistics

2014 – 2015

Chief Data Scientist
Paddy Power plc

2008 – 2013

Rob Reck

Product and
Technology Advisor
to PointsBet⁽¹⁾



EXPERIENCE

Founder & Director
Banach Technology

2015 – 2021

Principal Analyst
Paddy Power plc

2012 – 2014

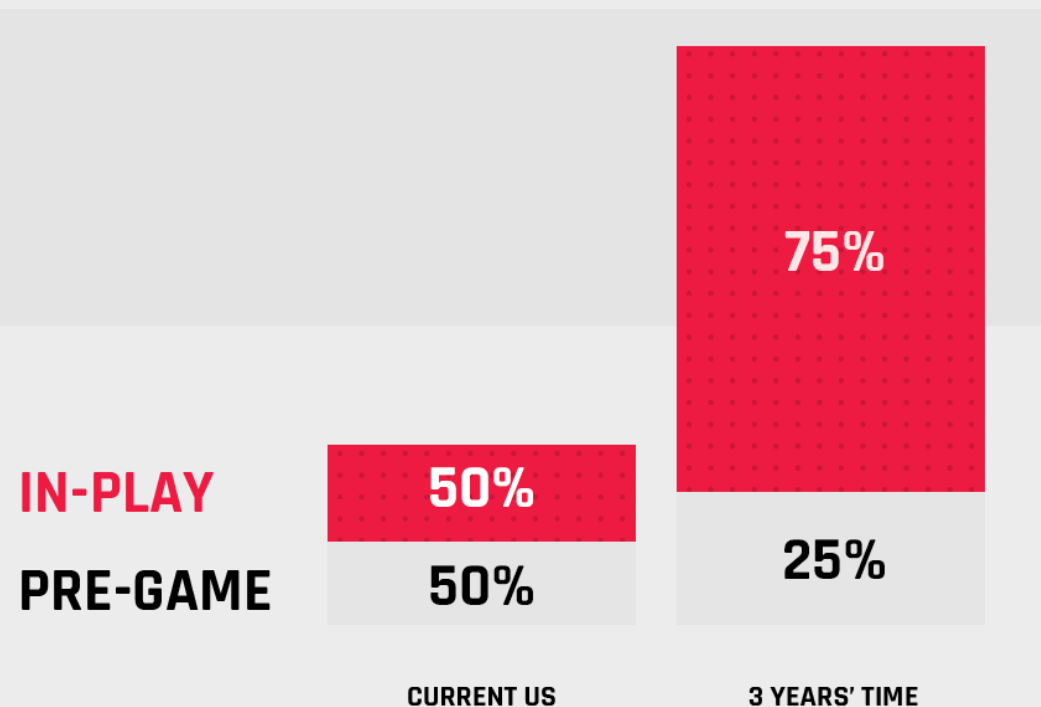
Head of Quants
Paddy Power plc

2004 – 2012

BANACH PROVIDES POINTSBET WITH THE OPPORTUNITY TO LEAD THE IN-PLAY US SPORTS BETTING EXPERIENCE

THE FUTURE OF THE US SPORTS BETTING OPPORTUNITY IS IN-PLAY

ESTIMATED US HANDLE⁽¹⁾



- The size of the in-play market is expected to increase rapidly
- Within three years, it is anticipated c. 75% of bets placed in the US will come from in-play betting products, up from the current c. 50%
 - In-play currently represents c. 75% of the European market⁽²⁾
 - US sports ideally suited to in-play betting with regular breaks
- In-play clients are more valuable across key metrics:
 - Higher engagement – increased play days and betting sessions
 - Higher retention
 - Higher turnover and thus revenue
- In-play clients seek a superior betting experience requiring fast-performing and reliable technology, high uptime of markets, faster bet acceptance, depth and breadth of in-play product offering including increased player prop and micro market opportunities
- In-play presents cross-sell opportunities with online casino given similar product characteristics – rapid fulfillment and a constant stream of betting options

ROADMAP ACCELERATION DELIVERING VALUE TO POINTSBET

THE BANACH ACQUISITION ACCELERATES POINTSBETS TECHNOLOGY ROADMAP...

40 MARKET-LEADING TECHNOLOGY AND PRODUCT SPECIALISTS

30% increase of the existing global technology and product team



ACQUISITION OF MARKET-LEADING MODELS, PLATFORMS AND PRODUCTS

Specifically designed for the in-play, micro market, player prop and pre-game US sports betting experience

DELIVERING ON OUR OBJECTIVES FASTER

1

PRODUCT ENHANCEMENT & DIFFERENTIATION

- ✓ Building the complete US in-play sports betting client experience
- ✓ Delivering innovation on micro market and player prop betting products

2

IMPROVED CLIENT RETENTION AND CUSTOMER LIFETIME VALUE

- ✓ Increases brand trust with superior in-play products and betting experience
- ✓ Increased share of wallet
- ✓ Improved gross trading margins
- ✓ In-play products particularly important for VIP segment

3

IMPROVED MARKETING EFFICIENCY AND PAYBACK

- ✓ Drives PointsBets' product-led, points of distinction marketing strategy
- ✓ Improved customer advocacy
- ✓ Lessens reliance on promotions and increased promotional spend efficiency

4

REDUCES COSTS OVER TIME

- ✓ Internalises and controls the full spectrum of betting products from in-play to pre-game to parlays

KEY AREAS OF PRODUCT ACCELERATION

1 PRE-GAME AND IN-PLAY SINGLE GAME PARLAY

2 PRE-GAME AND IN-PLAY PLAYER PROPS

3 IN-PLAY MICRO MARKETS

4 REAL-MONEY ACQUISITION GAMES

5 FREE-TO-PLAY LEAD GENERATION GAMES

6 INCREASED IN-PLAY MARKET UPTIME

7 PRE-GAME MARKET CONSOLE

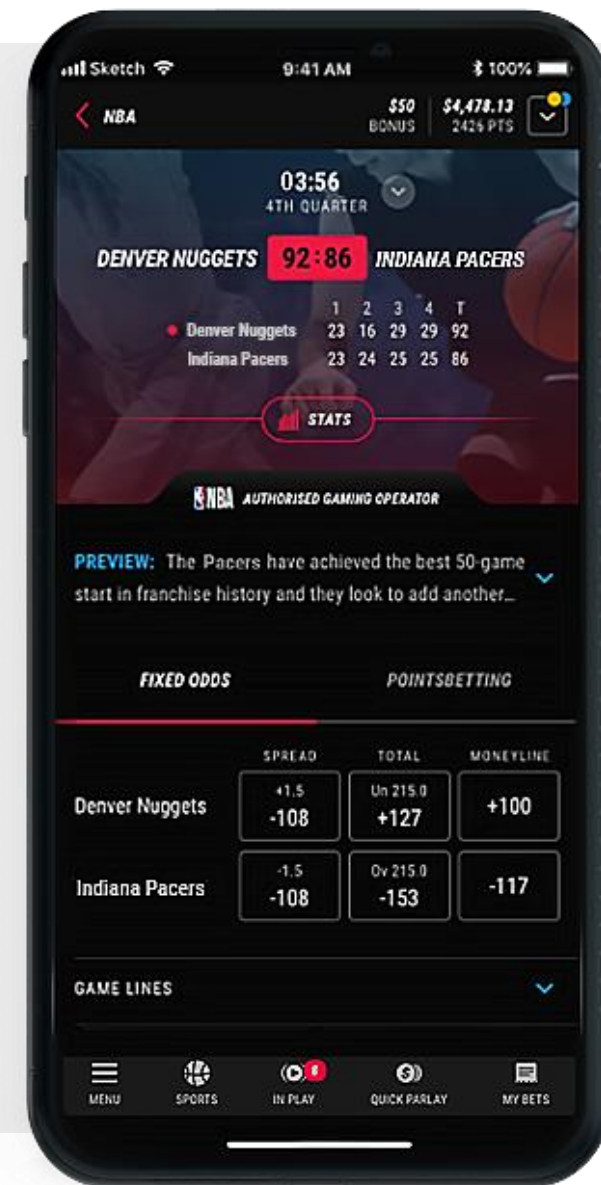
8 PROMOTIONAL ENGINE

9 BET RECOMMENDATION ENGINE

10 CALL TO ACTION BET STATS

11 PRE-GAME AND IN-PLAY GAME VISUALISATIONS

12 FUTURE INNOVATION



WHY POINTSBET WILL WIN

POINTSBET

BANACH
COMPLEXITY SIMPLIFIED



IN-PLAY WILL BE THE MOST IMPORTANT SPORTS BETTING FEATURE IN THE US



BANACH DELIVERS MARKET LEADING TECHNOLOGY AND TALENT – PARTICULARLY IN-PLAY



THE ACQUISITION ACCELERATES POINTSBET'S TECHNOLOGY ROADMAP



IMPROVING GROSS WIN MARGIN AND REDUCING COSTS OVER TIME



PRODUCT WILL WIN