

Appendix 4C and Quarterly Activities Report

Melbourne, Australia, 28 October 2021 – PointsBet Holdings Limited (ASX:PBH) (“PointsBet” or the “Company”) is pleased to provide its Quarterly Cash Flow Report (Appendix 4C) for the quarter ending 30 September 2021 (“Q1 FY22”)¹.

PointsBet also provides an overview on its trading performance for Q1 FY22 (prior corresponding period being Q1 FY21 (“PCP”)). Due to the seasonal nature of the sports betting industry, quarterly figures are not intended to represent an indication of likely full year performance.

QUARTERLY HIGHLIGHTS

PointsBet reported PCP growth across the following key metrics:

| Table 1. PointsBet Group – Q1 FY22 Sports Betting Performance (A\$m)² | | | |
|---|--------------|--------------|---------------|
| Key metrics – Sports Betting | Q1 FY22 | Q1 FY21 | Change vs PCP |
| Turnover/Handle³ | 979.9 | 691.9 | +42% |
| Aus | 631.4 | 527.7 | +20% |
| US | 348.6 | 164.2 | +112% |
| Gross Win Margin | 11.9% | 10.2% | +1.8pp |
| Aus | 13.9% | 11.5% | +2.4pp |
| US | 8.4% | 6.0% | +2.4pp |
| Gross Win⁴ | 117.1 | 70.4 | +66% |
| Aus | 87.9 | 60.5 | +45% |
| US | 29.2 | 9.8 | +197% |
| Net Win Margin | 6.9% | 5.5% | +1.4pp |
| Aus | 8.7% | 6.6% | +2.0pp |
| US | 3.6% | 1.9% | +1.7pp |
| Net Win⁵ | 67.3 | 38.1 | +76% |
| Aus | 54.8 | 35.1 | +56% |
| US | 12.5 | 3.1 | +307% |

| Table 2. PointsBet Group – Q1 FY22 Net Win Summary (A\$m)⁶ | | | |
|--|-------------|-------------|---------------|
| | Q1 FY22 | Q1 FY21 | Change vs PCP |
| Net Win – Sports Betting | 67.3 | 38.1 | +76% |
| Net Win – iGaming | 2.2 | - | - |
| Net Win – Total | 69.5 | 38.1 | +82% |

¹ Unaudited and in Australian dollars unless otherwise stated.

² The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period.

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.

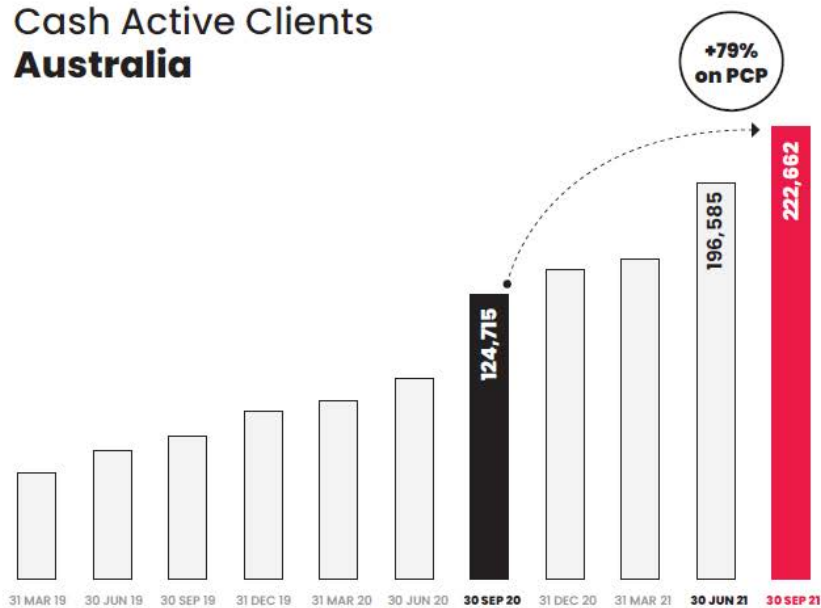
⁵ Net Win is the dollar amount received from clients who placed losing bets less the dollar amount paid to clients who placed winning bets, less client promotional costs (the costs incurred to acquire and retain clients through bonus bets, money back offers, early payouts and enhanced pricing initiatives).

⁶ The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period.

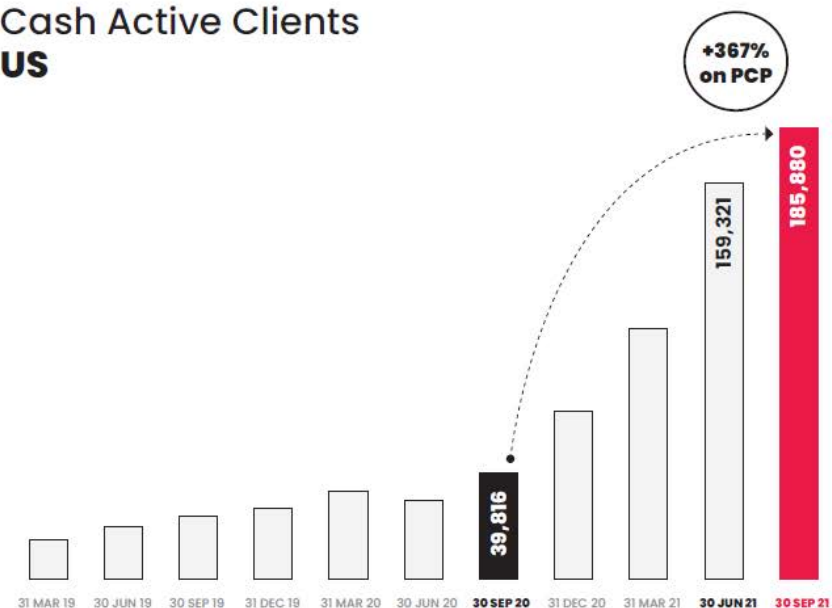
GROUP CASH ACTIVE CLIENT GROWTH

CASH ACTIVE CLIENTS' CLIENTS WHO HAVE PLACED A CASH BET IN THE LAST TWELVE MONTHS

Cash Active Clients Australia



Cash Active Clients US



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

- For the 12 months to 30 September 2021, the US business had 185,880 Cash Active Clients, a 367% increase compared to Cash Active Clients for the 12 months to 30 September 2020.

POINTSBET AUSTRALIA

| Table 3. PointsBet Australia – Q1 FY22 Sports Betting Performance (A\$m) ⁷ | | | |
|---|---------|---------|---------------|
| Key metrics | Q1 FY22 | Q1 FY21 | Change vs PCP |
| Turnover/Handle ⁸ | 631.4 | 527.7 | +20% |
| Gross Win Margin | 13.9% | 11.5% | +2.4pp |
| Gross Win ⁹ | 87.9 | 60.5 | +45% |
| Net Win Margin | 8.7% | 6.6% | +2.0pp |
| Net Win ¹⁰ | 54.8 | 35.1 | +56% |

- The Australian Trading business continued its strong performance with quarterly Gross Win and Net Win up 45% and 56% respectively from the PCP. Quarterly Net Win was a record of \$54.8 million.
- Gross Win Margin and Net Win Margin were an impressive 13.9% and 8.7%, continuing the trend of strong quarterly margins.
- The Company's Australian quarterly marketing expense¹¹ of \$22.1 million assisted in Cash Active Clients¹² for the 12 months to 30 September 2021 increasing to 222,662, a 79% increase on the 12 months to 30 September 2020.
- The Australian Trading business achieved a record quarter for first time bettors and significant gains in app download share, with 10.1% of all wagering category app downloads, up from 6.8% on the PCP.
- In September 2021, PointsBet 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.

⁷ The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period.

⁸ Turnover/Handle is the dollar amount wagered by clients before any winnings are paid out or losses incurred.

⁹ 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.

¹⁰ 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).

¹¹ Marketing expense includes all direct and indirect marketing costs, including production, agency/placement fees and working media, expensed as incurred during the period including amounts unpaid at the end of the period.

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

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

POINTSBET US

Table 4. PointsBet USA – Q1 FY22 Performance (A\$m)¹³

| Key metrics | New Jersey | Illinois | Michigan | Indiana | Colorado | Iowa | West Virginia | US Q1 FY22 | US Q1 FY21 | Change vs PCP |
|--|------------|------------|------------|------------|--------------|--------------|---------------|-------------|------------|---------------|
| Sports Betting Turnover/Handle ¹⁴ | 102.1 | 131.8 | 32.0 | 29.0 | 38.5 | 13.8 | 1.3 | 348.6 | 164.2 | +112% |
| Sports Betting Gross Win Margin | 11.8% | 7.3% | 8.1% | 6.9% | 5.4% | 6.3% | (4.4)% | 8.4% | 6.0% | +2.4pp |
| Sports Betting Gross Win ¹⁵ | 12.0 | 9.7 | 2.6 | 2.0 | 2.1 | 0.9 | (0.1) | 29.2 | 9.8 | +197% |
| Sports Betting Net Win Margin | 7.9% | 4.3% | (2.9)% | 0.8% | (0.2)% | (1.2)% | (20.0)% | 3.6% | 1.9% | +1.7pp |
| Sports Betting Net Win | 8.1 | 5.6 | (0.9) | 0.2 | (0.1) | (0.2) | (0.3) | 12.5 | 3.1 | +307% |
| iGaming Net Win | 0.6 | - | 1.6 | - | - | - | - | 2.2 | - | - |
| Total Net Win¹⁶ | 8.7 | 5.6 | 0.7 | 0.2 | (0.1) | (0.2) | (0.3) | 14.7 | 3.1 | +378% |

Table 5. PointsBet United States – Sports Betting Market Share By State

| | New Jersey ¹⁷ | Illinois ¹⁸ | Michigan ¹⁹ | Indiana ²⁰ | Colorado ²¹ | Iowa ²² | West Virginia ²³ |
|----------------------|--------------------------|------------------------|------------------------|-----------------------|------------------------|--------------------|-----------------------------|
| Online Handle | 3.9% | 7.4% | 3.7% | 3.5% | 4.7% | 2.9% | 2.0% |

¹³ The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period.

¹⁴ Turnover/Handle is the dollar amount wagered by clients before any winnings are paid out or losses incurred.

¹⁵ 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.

¹⁶ 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).

¹⁷ Based on total New Jersey online sports betting handle for the quarter, as reported by the New Jersey Division of Gaming Enforcement.

¹⁸ Based on total Illinois online sports betting handle for July and August 2021, as reported by the Illinois Gaming Board. September 2021 market share data had not been released.

¹⁹ Based on total Michigan online sports betting handle for the quarter, as reported by the Michigan Gaming Control Board.

²⁰ Based on total Indiana online sports betting handle for the quarter, as reported by the Indiana Gaming Commission.

²¹ Based on total Colorado online sports betting handle for July and August 2021, as reported by the Colorado Department of Revenue – Division of Gaming. September 2021 market share data had not been released.

²² Based on total Iowa online sports betting handle for the quarter, as reported by the Iowa Racing and Gaming Commission.

²³ Based on total West Virginia online sports betting handle for August and September, as reported by the West Virginia Lottery.

- The US business achieved quarterly sports betting Gross Win of \$29.2 million, a 197% increase compared to Gross Win of \$9.8 million in the PCP, with a quarterly sports betting Net Win of \$12.5 million, a 307% increase compared to Net Win of \$3.1 million for the PCP.
- The US business achieved a quarterly sports betting Gross Win Margin of 8.4% and a quarterly sports betting Net Win Margin of 3.6%.
- The Company's US quarterly marketing expense²⁴ of US\$27.6 million assisted in Cash Active Clients²⁵ for the 12 months to 30 September 2021 increasing to 185,880, a 367% increase on the 12 months to 30 September 2020.
- 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 23 July 2021, PointsBet launched iGaming in New Jersey, representing the Company's second US iGaming operation.
- On 13 August 2021, PointsBet launched online sports betting operations in West Virginia.
- 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.

²⁴ Marketing expense includes all direct and indirect marketing costs, including production, agency/placement fees and working media, expensed as incurred during the period including amounts unpaid at the end of the period.

²⁵ Client across all verticals that have placed a cash bet in the 12 months preceding the relevant period end date.

POINTSBET CANADA

- In September 2021, PointsBet Canada entered into 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.
- 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.

CORPORATE & FINANCIAL UPDATE

Placement and Accelerated Pro Rata Renounceable Entitlement Offer

On 26 August 2021, PointsBet completed a A\$400 million capital raise. Under the offer, PointsBet raised:

- \$215.1 million at \$10.00 per share under a placement; and
- \$184.9 million at \$8.00 per share under a 1 for 9 pro rata accelerated renounceable entitlement offer with retail rights trading.

Cashflow

- At 30 September 2021, the Company's Corporate Cash balance was \$626.7million. The Company has no corporate borrowings.
- Net cash used in operating activities for the quarter ending 30 September 2021, excluding movement in player cash accounts, was \$38.1 million.
- Receipts from customers, totalled \$72.4 million. Receipts from customers, includes Net Win from Sportsbook and iGaming verticals, as well as cash receipts from PointsBet Europe B2B and the US ADW (racing) businesses.
- Cash outflows during the quarter included cost of sales of \$33.0 million, non-capitalised staff costs of \$19.3 million, marketing costs of \$46.5 million and administration, corporate costs and GST paid on Australian Net Win of \$11.7 million.
- Net cash used in investing activities in the quarter ending 30 September 2021 was \$11.6 million, driven mainly by the capitalisation of developing the sports wagering platform of \$6.4 million.

- Net cash received from financing activities was \$424 million, including receipt from the August capital raise and exercise of listed and unlisted options (including \$34.997 million received from Penn Interactive Ventures, LLC, a wholly owned subsidiary of Penn National Gaming Inc, following the exercise of 10,372,549 options due to expire 12 September 2021).

Estimated cash available for future operating activities

The Company continues to be well funded to achieve its strategic objectives and planned activities.

FORWARD-LOOKING STATEMENTS

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of PointsBet. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

FOR FURTHER INFORMATION

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ABOUT POINTSBET

PointsBet is a corporate bookmaker listed on the Australian Stock 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.

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 September 2021

Consolidated statement of cash flows
**Current quarter
\$A'000
(30 September
2021)**
**Year to date (3
months)
\$A'000
(30 September
2021)**
1. Cash flows from operating activities

1.1 Receipts from customers

72,392

72,392

1.2 Payments for

(a) research and development

-

-

(b) product manufacturing and
operating costs (Cost of Sales)

(33,009)

(33,009)

(c) advertising and marketing

(46,456)

(46,456)

(d) leased assets

-

-

(e) staff costs

(19,310)

(19,310)

(f) administration, corporate costs and
GST¹

(11,678)

(11,678)

1.3 Dividends received (see note 3)

1.4 Interest received

95

95

1.5 Interest and other costs of finance paid²

(175)

(175)

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
Accounts³

11,583

11,583

**1.9 Net cash from / (used in) operating
activities**
(26,558)**(26,558)**

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

2. Includes interest costs on lease liability upon adoption of AASB 16 "Leases" accounting standard from 1 July 2019.

3. Represents Net Movement in Player Cash Accounts.

| | | | |
|------------|---|-----------------|-----------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| (a) | entities | - | - |
| (b) | businesses (net of cash acquired) | (68) | (68) |
| (c) | property, plant and equipment | (907) | (907) |
| (d) | investments | - | - |
| (e) | intellectual property ⁴ | (6,400) | (6,400) |
| (f) | other non-current assets ⁵ | (3,860) | (3,860) |
| 2.2 | Proceeds from disposal of: | | |
| (a) | entities | - | - |
| (b) | businesses | - | - |
| (c) | property, plant and equipment | - | - |
| (d) | investments | - | - |
| (e) | intellectual property | - | - |
| (f) | other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received | - | - |
| 2.5 | Other (provide details if material) | | |
| | US Business Development (Market Access, licensing and Retail Sportsbook fitout costs) | (413) | (413) |
| 2.6 | Net cash from / (used in) investing activities | (11,648) | (11,648) |

⁴ Includes Capitalised Development Costs

⁵ Relates primarily to deposit made to an escrow facility in relation to marketing commitments.

| | | | |
|-----------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 400,086 | 400,086 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 35,003 | 35,003 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (10,304) | (10,304) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |

| | | | |
|-------------|---|----------------|----------------|
| 3.9 | Other (provide details if material) Principal repayment of Lease Liability | (777) | (777) |
| 3.10 | Net cash from / (used in) financing activities | 424,008 | 424,008 |

| | | | |
|------------|--|----------------------------|----------------------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 276,158 | 276,158 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (26,558) | (26,558) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (11,648) | (11,648) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 424,008 | 424,008 |
| 4.5 | Effect of movement in exchange rates on cash held | 7,210 | 7,210 |
| 4.6 | Cash and cash equivalents at end of period | 669,170⁸ | 669,170⁹ |

^{8/9}. Cash and cash equivalents at the end of the quarter includes Player Cash Accounts of **\$42,484,630**

| | | | |
|------------|---|------------------------------------|-------------------------------------|
| 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 | 301,193 | 276,158 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) Term Deposits | 367,977 | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 669,170 | 276,158 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

931

-

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

Payments to related entities

- Salaries and Wages (inclusive of Superannuation and applicable taxes withheld) of Key Management Personnel and of Executive Directors and Non-Executive Directors Fees.
- Payments of \$1.1k AUD to Clarendon Lawyers. Non-Executive Director Anthony Symons, is Managing Director and majority beneficial owner, for legal advisor services during the period.

7. Financing facilities

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.

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---------------------------------------|---|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | 50 | 36 |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | 50 | 36 |

7.5 **Unused financing facilities available at quarter end** **14**

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) | (26,558) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 669,170 ⁹ |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | 14 |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 669,184 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 25.20 |

⁹. Cash and cash equivalents at the end of the quarter includes Player Cash Accounts of **\$42,484,630**. Excluding the Player Cash Accounts the balance is **\$626,685,480**. The estimated quarters of funding available excluding the Player Cash Accounts is **16.43**.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 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

- 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

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

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.

Date: 28 October 2021

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.