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ASX Announcement (ASX:BBT)
29 April 2025

Proposal to acquire PointsBet; launch of $130m equity raise

Highly attractive and de-risked funding structure delivers enhanced cash certainty to PointsBet shareholders

Betr Entertainment Limited (ASX:BBT) (**betr** or the **Group** or the **Company**) announces a revised proposal (**Proposal**) to acquire 100% of the shares betr does not already own in PointsBet Holdings Limited (**PointsBet**) by way of Scheme of Arrangement (**Transaction**).

The Proposal as presented to the PointsBet board proposes an implied equity value of $360 million, comprised of $260 million cash and $100 million in betr scrip[1].

The Proposal delivers significantly greater value to PointsBet shareholders than the current MIXI proposal. Given the significant synergy prize in excess of $40 million annually and the opportunity to participate via betr scrip, the Proposal delivers a potential value outcome of $1.33 per share for PointsBet shareholders[2].

betr is now PointsBet's largest shareholder having acquired a 19.9% relevant interest from two of PointsBet's largest shareholders, reflecting our strong commitment and confidence in this opportunity. betr intends to vote all of its shares against the current MIXI proposal, consistent with our view that the Proposal is superior to the current MIXI proposal, given it creates a materially scaled player and offers a significant synergy participation opportunity to PointsBet shareholders. As PointsBet's largest shareholder, and with other remaining shareholders having expressed their support for betr's proposal, this materially reduces the likelihood that the current MIXI proposal can be implemented.

betr has now addressed all concerns raised by PointsBet in its letter to shareholders dated 3 April 2025.

1. Funding certainty enhanced

The funding for the betr Proposal is now significantly enhanced with funding of over $260 million[3]. The cash funding is comprised of:

- **Debt** – National Australia Bank (**NAB**) has issued credit-approved terms for a $120 million acquisition financing facility;

- **Sale of PointsBet Canada** – we have received a non-binding proposal from Seminole Hard Rock Digital, LLC to acquire certain assets which relate to PointsBet's Canadian operations, subject to various conditions precedent, and

[1] Total equity value is on a 100% basis, including the PointsBet shares that betr has a relevant interest in. For the avoidance of doubt, the betr Proposal is to acquire the remaining 80.1% of shares it does not already own in PointsBet comprised of $181 million cash and $100m in betr scrip

[2] Based on 331.7 million fully paid, ordinary shares currently on issue and excludes any securities that may be issued on the exercise of any performance share rights (16.1 million PBHAM performance share rights on issue) or options (0.9 million PBHAI options on issue), and assumes the shareholder receives consideration in line with funding mix. The value of the Scrip Consideration has been calculated by applying an illustrative blended EV/EBITDA multiple of 10.0x (pre-AASB16) derived from the two groups to an estimate of the combined business FY26 EBITDA, inclusive of anticipated synergies. This value has been adjusted for changes in the net debt position of the Combined Business and multiplied by PointsBet shareholders' implied pro forma ownership interest in MergeCo

[3] There may be circumstances where the purchase price from Hard Rock Digital is not received in time to be applied as consideration for the Transaction. In that case, bridge finance or another funding arrangement may be required.

- **Equity** – announced a fully underwritten equity raise of $130 million, with $20 million pre-committed by Matt Tripp, Michael Sullivan and the conversion of a $15 million loan into equity.

2. Synergy estimates supported by independent adviser

Outside-in analysis has been conducted by a Big Four accounting adviser which supports betr's synergy estimates. The move to a single brand, app, and technology platform is expected to deliver cost synergies of over $40 million, driving substantial value creation through deeper investment into brand, product, and customer intelligence to support sustainable and profitable growth.

Having successfully completed the migration of the betr and TopSport customer bases, betr is confident in its ability to migrate PointsBet's customer base and drive improved performance and value generation.

3. Committed to expedited confirmation due diligence process

betr has committed to an expedited three-week confirmatory due diligence process, primarily to satisfy the requirements of the NAB facility, and believes its proposal can be completed in a timely manner.

4. Strong business performance

betr's strong trading momentum continued in Q3, with robust key metrics from a materially larger customer base and positive operating cash flow for the quarter.

Importantly, the Transaction is expected to be highly accretive for existing betr shareholders[4], with the combined business benefiting from immediate additional scale post-acquisition.

Further details about the Proposal can be found in the accompanying presentation.

betr has appointed Jarden and Ord Minnett as joint financial advisers. Arnold Bloch Liebler has been appointed as legal counsel.

betr Chairman, Matthew Tripp, said:

"Our Offer represents a clearly superior proposal for PointsBet shareholders to realise significant value. We have fully addressed the concerns raised by PointsBet in its Letter to Shareholders on 3 April 2025, including enhancing our funding certainty, synergy realisation, and due diligence timing.

Our proposal is supported by materially enhanced funding security, and as the largest shareholder in PointsBet, we now intend to vote our holding against the current MIXI proposal, reducing its likelihood of success. I am confident PointsBet shareholders will recognise the benefits of our proposal as we work towards again becoming leaders in the Australian wagering market."

betr CEO, Andrew Menz, said:

"The transaction provides a clear pathway for betr to become the clear number four wagering player in the Australian market, within the 10-15% market share "sweet spot". To support this goal, we have completed a detailed bottom-up build of the synergy potential and expect a prize of $40 million in annual cost synergies within the first full year of ownership.

We are well positioned to realise these benefits rapidly, with the bulk of the synergies unlocked through a customer migration to a single brand and app. Our team has a demonstrated track record of delivering complex business integrations and rapidly executing on synergy realisation opportunities, having already extracted a pool of approximately $26 million per annum through betr's merger with BlueBet and the recent TopSport acquisition. These operating efficiencies will enable us to deepen our investment in brand, product, and customer intelligence, ultimately driving sustainable and profitable growth in share."

[4] Earnings per share accretion is calculated using an estimate of the FY26 EBITDA for the Combined Business with realisation of $41.6m in estimated cost synergies on an annualised basis and adjusting for changes to the net debt position of the Combined Business. Excludes one-off transaction costs and any subsequent acquisition related accounting adjustments.

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Equity Raising

The Company will undertake a fully underwritten equity raising of $130 million comprising:

- ~A$53.5 million institutional placement (**Placement**); and
- ~A$76.5 million 1-for-2.59 accelerated pro-rata non-renounceable entitlement offer (**Entitlement Offer**) consisting of an:
    - Institutional component expected to raise ~A$62.9 million (**Institutional Entitlement Offer**); and
    - Retail component expected to raise ~A$13.6 million (**Retail Entitlement Offer**),

(together, the **Offer**)

New shares under the Offer will be issued at A$0.32 per share (**Offer Price**), representing a premium of:

- 6.7% to betr's last closing price on 24 April 2025 of A$0.30; and
- 13.7% to the 10-day volume weighted average price (VWAP) of A$0.2814 per share as at 24 April 2025
- 3.9% to TERP[3] of A$0.3079 per share as at 24 April 2025

Offer Price Use of Proceeds

Proceeds from the equity raising will be used to partly fund the acquisition of a 19.9% interest in PointsBet at ~$1.10, be available to partially fund the proposed acquisition of PointsBet and pay associated transaction costs.

Investor conference call

An investor conference call will be held on Tuesday 29 April 2025. Please note that participants are required to pre-register for the call using the link below. You will then be provided with a dial in number, the Passcode, and your unique access PIN. This information will also be emailed to you as a calendar invite.

Phone registration: https://s1.c-conf.com/diamondpass/10046993-ju87y6.html
Webcast: https://ccmediaframe.com/?id=if3NYP8k

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Timetable

Event	Date (AEST)
Trading halt	Mon, 28 April 2025
Announcement of the Offer	Pre-market, Tues, 29 April 2025
Placement and Institutional Entitlement Offer opens	Tues, 29 April 2025
Placement and Institutional Entitlement Offer closes	3:00pm, Tues, 29 April 2025
Announce results of the Placement and Institutional Entitlement Offer	Pre-market, Wed, 30 April 2025
Trading halt lifted – shares recommence trading on ASX on an "ex-entitlement" basis	Wed, 30 April 2025
Record Date for the Entitlement Offer	7:00pm, Thur, 1 May 2025
Despatch of Retail Offer Booklet and Entitlement and Acceptance Forms	Tues, 6 May 2025
Retail Entitlement Offer opens	9:00am, Tues, 6 May 2025
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Wed, 7 May 2025
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Thur, 8 May 2025
Normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Fri, 9 May 2025
Retail Entitlement Offer closes	5:00pm, Tues, 20 May 2025
Announce results of Retail Entitlement Offer	Thur, 22 May 2025
Settlement of New Shares issued under the Retail Entitlement Offer	Mon, 26 May 2025
Allotment of New Shares issued under the Retail Entitlement Offer	Tues, 27 May 2025
Trading on ASX of New Shares issued under the Retail Entitlement Offer	Wed, 28 May 2025
Despatch of holding statements for New Shares to retail holders	Wed, 28 May 2025

Authorisation

This announcement has been authorised for lodgement to the ASX by the betr Board of Directors.

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For further information, please contact:

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About betr Entertainment Limited (ASX:BBT)

betr Entertainment Limited (trading as 'betr') is a pure-play digital wagering operator listed on the Australian Securities Exchange focusing solely on the Australian wagering market. The Company has a world-class board led by prominent Australian wagering industry figures Matthew Tripp and Michael Sullivan, and a highly experienced management team.