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Scheme Meeting and Scheme Booklet

Melbourne, 8 May 2025

PointsBet Holdings Limited (ASX: PBH) advises that the Federal Court has today made orders convening a meeting of PointsBet shareholders ("**Scheme Meeting**") to consider and vote on the resolution to approve the scheme for the proposed acquisition by MIXI Australia Pty Ltd of all of the shares in PointsBet ("**Scheme**") and approving the despatching of an explanatory statement providing information about the Scheme and the notice of Scheme Meeting to PointsBet shareholders ("**Scheme Booklet**").

The Scheme Booklet attaches a copy of an Independent Expert's Report which concludes that in the absence of a superior proposal, the Scheme is fair and reasonable and is in the best interests of PointsBet shareholders. The PointsBet Directors unanimously recommend that PointsBet shareholders vote in favour of the Scheme in the absence of a superior proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet shareholders.

The Scheme Booklet has today been registered with ASIC and a copy accompanies this announcement.

The Scheme Booklet will be despatched to PointsBet shareholders on or around 13 May 2025. Shareholders who have elected to receive communications electronically will receive an email that will contain instructions about how to access a copy of the Scheme Booklet, and a proxy form for the Scheme Meeting. Shareholders who have not made such an election will receive a copy of the Scheme Booklet by post together with a proxy form.

PointsBet shareholders should carefully read the Scheme Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme.

If, after reading the Scheme Booklet, PointsBet shareholders have any questions in relation to the Scheme Booklet, please contact the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday (excluding public holidays).

The Scheme Meeting is scheduled to be held at **9:00am (Melbourne time) on 12 June 2025** at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne. PointsBet shareholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the Scheme Meeting in person or by proxy, attorney or corporate representative.

If PointsBet shareholders approve the Scheme by the requisite majorities at the Scheme Meeting, a Second Court Hearing is intended to be held at 10:15am (Melbourne time) on 13 June 2025 for approval of the Scheme by the Court. Any PointsBet shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the

Court and serving on PointsBet a notice of appearance in the prescribed form together with any affidavit that the PointsBet shareholder proposes to rely on. It should be addressed to Andrew Hensher, Group General Counsel and Company Secretary, PointsBet Holdings Limited, Level 2, 165 Cremorne Street, Cremorne, VIC Australia 3121.

This announcement has been authorised for release by the Board of Directors.

For further information please contact:

For investors

Alister Lui
Group Chief Financial Officer
alister.lui@pointsbet.com

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POINTSBET
EVERY POINT MATTERS

Scheme Booklet

For a scheme of arrangement between PointsBet Holdings Limited (ABN 68 621 179 351) and its shareholders in relation to the proposed acquisition of PointsBet by MIXI, Inc through its wholly owned subsidiary MIXI Australia Pty Ltd (ACN 681 434 640) for consideration of $1.06 cash per PointsBet share

VOTE IN FAVOUR

The PointsBet Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders

When considering the recommendation of the PointsBet Directors, you should note that a certain PointsBet Director will be receiving benefits if the Scheme proceeds. Please refer to the Chairman's Letter and section 9.1.

IMPORTANT NOTICE

There is a proposal from betr Entertainment Limited (Betr) to acquire all of the shares that Betr does not already own in PointsBet by way of a scheme of arrangement, as referenced in the Betr Revised Proposal. The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal. As at the date of this Scheme Booklet, the Betr Revised Proposal remains indicative and non-binding and is subject to due diligence, and there is no guarantee it will result in a binding proposal. Accordingly, in compliance with its contractual obligations under the Scheme Implementation Deed with MIXI and MIXI Australia, PointsBet considers that it is in the best interests of PointsBet Shareholders to proceed with the steps required for implementation of the proposed transaction with MIXI, while concurrently assessing whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal. PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform. Please refer to the Chairman's Letter and section 9.8.

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about how to deal with this document, you should contact your broker, legal, financial, tax, accounting and/or other professional adviser immediately.

If you have any questions in relation to this Scheme Booklet, you should call the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday (excluding public holidays).

Baker McKenzie.
Legal Adviser

FLAGSTAFF
Financial Adviser

Important Notices

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General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making any decision as to how to vote at the Scheme Meeting.

Nature of this document

This Scheme Booklet provides PointsBet Shareholders with information about the proposed acquisition of PointsBet by MIXI Australia, by way of a scheme of arrangement between PointsBet and PointsBet Shareholders under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out in Annexure A to this Scheme Booklet.

This Scheme Booklet is not a disclosure document pursuant to Chapter 6D of the Corporations Act.

If you have sold all of your PointsBet Shares, please ignore this Scheme Booklet.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in section 10. Section 10 also sets out some rules of interpretation which apply to this Scheme Booklet. The documents reproduced in the Annexures to this Scheme Booklet may have their own defined terms, which sometimes differ from those set out in section 10.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, tax position and particular needs of any individual PointsBet Shareholder or any other person. It is important that you read this Scheme Booklet in its entirety before making any investment decision, and any decision as to whether or not to vote in favour of the Scheme. If you are in any doubt in relation to these matters, you should consult your broker, legal, financial, tax, accounting and/or other professional adviser immediately.

Not an offer

This Scheme Booklet does not constitute or contain an offer to PointsBet Shareholders, or a solicitation of an offer from PointsBet Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws and regulations of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia. The financial information included in this Scheme Booklet is based on financial statements that have been prepared in accordance with Australian equivalents to International Financing Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

PointsBet Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Regulatory information

This Scheme Booklet includes the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in Annexure A.

A copy of this Scheme Booklet (including the Independent Expert's Report) was provided to ASIC for examination in accordance with section 411(2)(b) of the Corporations Act and was lodged with ASIC for registration under section 412(6) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to PointsBet Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure C.

Further details with respect to the conduct of the Scheme Meeting, including how to ask questions during the Scheme Meeting, and vote at the Scheme Meeting, are set out in the Notice of Scheme Meeting set out in Annexure C and summarised in section 3.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any PointsBet Shareholder may appear at the Second Court Hearing, currently expected to be held at 10:15am (Melbourne time) on Friday, 13 June 2025 at the Federal Court of Australia, 305 William Street, Melbourne.

Any PointsBet Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on PointsBet a notice of appearance in the prescribed form together with any affidavit that the PointsBet Shareholder proposes to rely on.

Any change to the date of the Second Court Date will be announced by PointsBet through the ASX.

Important notice associated with the court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has directed that an explanatory statement accompany the notice of meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how PointsBet Shareholders should vote (on this matter PointsBet Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of the explanatory statement.

Disclaimer as to forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in this Scheme Booklet reflect views only as at the date of this Scheme Booklet, and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe PointsBet's or MIXI Australia's objectives, plans, goals, intentions or expectations are or may be forward-looking statements.

The statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of PointsBet's operations and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by these forward-looking statements.

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The operations and financial performance of PointsBet are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of PointsBet and/or MIXI Australia. PointsBet Shareholders should note that the historical financial performance of PointsBet is no assurance of future financial performance of PointsBet (whether the Scheme is implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which PointsBet operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

As a result, the actual results of operations and earnings of PointsBet following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet.

Although PointsBet considers that the views reflected in any forward-looking statements included in the PointsBet Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Although MIXI Australia considers that the views reflected in any forward-looking statements included in the MIXI Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. Statements of MIXI Australia's intention in the MIXI Information reflect its present intentions as at the date of this Scheme Booklet and may be subject to change.

None of PointsBet, MIXI Australia or any of their respective Related Bodies Corporate, or any of their respective directors, officers, employees or advisers, or any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

You should review all of the information in this Scheme Booklet carefully. Section 1.3 sets out the reasons why you might vote in favour of the Scheme and section 1.4 sets out the reasons why you may consider voting against the Scheme.

All subsequent written and oral forward-looking statements attributable to any member of PointsBet or MIXI Australia or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, PointsBet and MIXI Australia do not give any undertaking to update or revise any such statements after the date of this Scheme Booklet, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

PointsBet has been solely responsible for preparing the PointsBet Information. The information concerning PointsBet and the intentions, views and opinions of PointsBet and the PointsBet Directors contained in this Scheme Booklet has been prepared by PointsBet and the PointsBet Directors and is the responsibility of PointsBet. None of MIXI Australia or any of its Related Bodies Corporate or any of their respective directors, officers, employees or advisers have verified any PointsBet Information nor assume any responsibility for the accuracy or completeness of any such PointsBet Information.

MIXI Australia has been solely responsible for preparing the MIXI Information. The information concerning the MIXI Group and the intentions, views and opinions of MIXI Group contained in this Scheme Booklet has been prepared by MIXI Australia and is the responsibility of MIXI Australia. PointsBet and the PointsBet Directors and officers do not assume any responsibility for the accuracy or completeness of any such MIXI Information.

The Independent Expert has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. The Independent Expert's Report is set out in Annexure D.

None of PointsBet or MIXI Australia or any of their Related Bodies Corporate or any of their respective directors, officers, employees or advisers (other than the Independent Expert in respect of the Independent Expert's Report) assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

Computershare has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Share Registry. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

No consenting party has withdrawn their consent to be named in this Scheme Booklet before the date of this Scheme Booklet.

Financial amounts and effects of rounding

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Timetables and dates

All times and dates referred to in this Scheme Booklet are times and dates in Melbourne, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies, PointsBet Shareholders and the Court together with other customary conditions.

External websites

Unless expressly stated otherwise, the content of the websites of PointsBet and MIXI Australia do not form part of this Scheme Booklet. PointsBet Shareholders should not rely on any such content.

Privacy

PointsBet and MIXI Australia may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of PointsBet Shareholders and the name of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist PointsBet and MIXI Australia to conduct the Scheme Meeting and implement the Scheme. Without this information, PointsBet may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of PointsBet and MIXI Australia, and also where disclosure is otherwise required by law. PointsBet Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access personal information that has been collected. PointsBet Shareholders should contact the Share Registry if they wish to access their personal information. PointsBet Shareholders who appoint a named person to act as their proxy, attorney or corporate representative at the Scheme Meeting should ensure that they inform that person of these matters.

Date of this Scheme Booklet

This Scheme Booklet is dated 8 May 2025.

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Key Dates*

Event	Time and date
FIRST COURT DATE First Court Date for orders to despatch this Scheme Booklet and convene Scheme Meeting	10:15am (Melbourne time) on Thursday, 8 May 2025
LATEST TIME AND DATE FOR RECEIPT OF PROXY FORMS FOR SCHEME MEETING Latest time and date for receipt of proxy forms or powers of attorney for the Scheme Meeting	9.00am (Melbourne time) on Tuesday, 10 June 2025
VOTING ELIGIBILITY DATE Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm (Melbourne time) on Tuesday, 10 June 2025
SCHEME MEETING The Scheme Meeting will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne Victoria. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting set out at Annexure C	9.00am (Melbourne time) on Thursday, 12 June 2025
If the Scheme is approved by PointsBet Shareholders	
SECOND COURT DATE Second Court Date for approval of the Scheme by the Court	10:15am (Melbourne time) on Friday, 13 June 2025
EFFECTIVE DATE Court order lodged with ASIC and the 'Effective Date' for the Scheme is announced to ASX Last day of trading in PointsBet Shares – PointsBet Shares will be suspended from trading on ASX from close of trading	Monday, 16 June 2025
SCHEME RECORD DATE Scheme Record Date for determining entitlements to Scheme Consideration	5.00pm (Melbourne time) on Wednesday, 18 June 2025
IMPLEMENTATION DATE Payment of the Scheme Consideration to Scheme Shareholders	Wednesday, 25 June 2025

* All dates following the date of the Scheme Meeting set out in the Key Dates table, as well as elsewhere in this Scheme Booklet, are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced to the ASX and notified on the PointsBet website https://investors.pointsbet.com.au/company-announcements.

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Chairman's Letter

8 May 2025

Dear PointsBet Shareholder,

On behalf of the PointsBet Board, I am pleased to present you with this Scheme Booklet in relation to the proposed acquisition of PointsBet by MIXI Australia.

On 26 February 2025, PointsBet entered into a Scheme Implementation Deed with MIXI and MIXI Australia for the proposed acquisition by MIXI Australia of 100% of the issued share capital of PointsBet by way of the Scheme.

This Scheme Booklet contains important information about the Scheme, including:

- how to vote at the Scheme Meeting;
- the reasons for the PointsBet Board's unanimous recommendation to vote in favour of the Scheme, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders, and in the absence of a Superior Proposal; and
- the Independent Expert's Report, in which the Independent Expert has concluded that the Scheme is in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal.

Your vote is important and I encourage you to read this Scheme Booklet (including the Independent Expert's Report) carefully and in full.

Background to the Scheme and details of the Scheme Consideration

As your Chairman, I am incredibly proud of our accomplishments since this company listed in 2019, including the development of our US sports betting business and its ultimate sale for US$225 million, the establishment of PointsBet as a leading Australian wagering platform with a strategically significant position in the local Australian wagering market, and the expansion of our operations to Canada.

The market has in recent times recognised the significant efforts of our lean yet highly skilled team, with the PointsBet Share price increasing by an impressive 103% over the 12-months[1] leading up to the announcement of the Scheme.

However, our business is not without its challenges. Notably:

- the competition in Canada is fierce, and our Canadian business is yet to achieve profitability; and
- in Australia, the regulatory outlook remains uncertain, and there is the prospect of potential future increases to taxes and product fees. In addition, PointsBet's 'best in class' compliance standards means it faces risks to its VIP revenue (in particular) from smaller operators with less rigorous compliance frameworks.

In contrast to the risks facing PointsBet as a standalone entity, if the Scheme is approved and implemented it will deliver certain cash consideration of $1.06 per PointsBet Share.

The Scheme Consideration of $1.06 cash per PointsBet Share represents a significant premium of:

- 27.7% to PointsBet's closing price on 25 February 2025, being the last trading day prior to announcement; and
- 23.9% to the 1-month Volume Weighted Average Price up to that date.

In addition, the Scheme Consideration also represents an implied EV/EBITDA multiple of 25.2x – 32.1x based on PointsBet's FY25 EBITDA guidance range, which compares very favourably with historical sector trading multiples and multiples associated with other transactions in the sector.[2]

As at the Last Practicable Date, the PointsBet Share price was $1.095. The Scheme Consideration of $1.06 cash per PointsBet Share represents a reduction of 3.2% to PointsBet's closing price on the Last Practicable Date.

Recommendation

The PointsBet Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders.

Subject to those same qualifications, each PointsBet Director who holds or controls PointsBet Shares intends to vote those Shares in favour of the Scheme.

[1] From 24 February 2024 until 25 February 2025. Adjusted for the impact of the capital return paid in May 2024.

[2] Assumes fully diluted shares on issue of 347.8 million and corporate cash of $15.3 million. PointsBet FY25 EBITDA guidance of $11-$14 million.

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When considering the recommendation of the PointsBet Directors, you should note that Sam Swanell (PointsBet Group CEO and Managing Director) will be receiving benefits if the Scheme proceeds. This comprises the early vesting of 1,647,411 Performance Share Rights pertaining to Sam Swanell (representing an aggregate amount of $1,746,255.66, less any applicable withholding tax and superannuation, on cash settlement of the vested Performance Share Rights), in accordance with the KEEP rules and the Scheme Implementation Deed, which is outlined in further detail in sections 9.1 and 9.5. Importantly, PointsBet Shareholders will not be disadvantaged by the proposed treatment of the Performance Share Rights.

All Options on issue in PointsBet will either lapse or be cancelled for no consideration in accordance with the PointsBet ESOP rules and pursuant to the Scheme Implementation Deed.

Independent Expert's opinion

The PointsBet Board appointed Grant Samuel as the Independent Expert to prepare an Independent Expert's Report.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal.

Reasons you may considering voting for or against the Scheme

The key reasons for voting in favour of the Scheme include:

- the Scheme Consideration represents an attractive premium relative to the PointsBet Share price, prior to the public announcement of the Scheme, and an attractive implied EV/EBITDA multiple based on PointsBet's FY25 EBITDA guidance range;
- the PointsBet Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders;
- the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal;
- the Scheme Consideration provides cash certainty and means you will no longer be exposed to ongoing risks and uncertainties regarding your investment in PointsBet;
- the PointsBet Share price will likely fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal and will continue to be subject to potential market volatility;
- since the announcement of the Scheme, no Superior Proposal has emerged; and
- brokerage charges will not apply to the transfer of your PointsBet Shares under the Scheme.

Notwithstanding the unanimous recommendation of the PointsBet Directors that you should vote in favour of the Scheme, there are also potential reasons why you may consider voting against the Scheme, including:

- you may disagree with the unanimous recommendation of the PointsBet Directors and with the Independent Expert's conclusion that the Scheme is in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal;
- you may prefer to participate in the future financial performance of the PointsBet business;
- you may believe it is in your best interests to maintain your current investment and risk profile;
- you may believe that there is potential for a Superior Proposal to emerge; and
- the tax consequences of transferring your PointsBet Shares pursuant to the Scheme may not be attractive to you.

Timing

If the Scheme is approved by PointsBet Shareholders and the Court, the Scheme will become Effective and therefore binding on PointsBet Shareholders on the Effective Date (currently expected to occur on Monday, 16 June 2025).

If that occurs, PointsBet Shareholders will be paid the Scheme Consideration on the Implementation Date (currently expected to occur on Wednesday, 25 June 2025).

Betr Proposal

Shareholders may also be aware that, on 18 February 2025, PointsBet received a confidential, non-binding, indicative proposal from Betr (**Betr Proposal**).

As announced by PointsBet in a letter to shareholders on 3 April 2025, the PointsBet Board considered the Betr Proposal, and with the input of advice from PointsBet's financial and legal advisers, the PointsBet Board determined at that time that the Betr Proposal could not reasonably be expected to lead to a Superior Proposal relative to the Scheme having regard to a number of factors, including that the Betr Proposal could not be reasonably characterised as fully funded.

On 29 April 2025, PointsBet received a further confidential, non-binding, indicative proposal from Betr, details of which were announced by Betr on 29 April 2025 (**Betr Revised Proposal**). On 29 April 2025, Betr also advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal.

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In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme.

The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal.

The Betr Revised Proposal remains indicative and non-binding and is subject to due diligence, and there is no guarantee it will result in a binding proposal.

Accordingly, in compliance with its contractual obligations under the Scheme Implementation Deed with MIXI and MIXI Australia, PointsBet considers that it is in the best interests of PointsBet Shareholders to proceed with the steps required for implementation of the proposed transaction with MIXI, while concurrently assessing whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal.

PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform.

Since the announcement of the Scheme on 26 February 2025 and up to the date of this Scheme Booklet, no Competing Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal.

How to vote

The Scheme will only become Effective and be implemented if it is approved by the requisite majorities of PointsBet Shareholders at the Scheme Meeting and approved by the Court at the Second Court Hearing, assuming all other conditions are satisfied or waived.

The Scheme Meeting is scheduled to be held at 9.00am (Melbourne time) on Thursday, 12 June 2025 at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne Victoria.

You can vote by attending the Scheme Meeting in person, online, by lodging a Proxy Form, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf or, in the case of a body corporate, by appointing a corporate representative to attend and vote at the Scheme Meeting on your behalf. Further details on how to vote are included in section 3 of this Scheme Booklet.

Further information

I strongly encourage you to carefully read this Scheme Booklet (including the Independent Expert's Report) in full and seek your own legal, financial or other professional advice as needed.

I also strongly encourage you to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders.

Yours sincerely



Mr Brett Paton
Non-Executive Chairman

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1 Key considerations relevant to your vote

1.1 Overview

The Scheme has a number of advantages and disadvantages that may affect PointsBet Shareholders in different ways depending on their individual circumstances. PointsBet Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 1.3 provides a summary of some of the reasons why the PointsBet Board unanimously recommends PointsBet Shareholders vote in favour of the Scheme Resolution. Section 1.3 should be read in conjunction with section 1.4, which sets out reasons why PointsBet Shareholders may wish to vote against the Scheme Resolution. You should read this Scheme Booklet in its entirety, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting.

1.2 Summary of reasons why you might vote in favour of or against the Scheme

Reasons to vote in favour of the Scheme

✓	The Scheme Consideration of $1.06 cash per Scheme Share represents an attractive premium relative to the PointsBet Share price, prior to the public announcement of the Scheme, and an attractive implied EV/EBITDA multiple based on PointsBet's FY25 EBITDA guidance range
✓	The PointsBet Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders
✓	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal
✓	The Scheme Consideration provides cash certainty and means you will no longer be exposed to ongoing risks and uncertainties regarding your investment in PointsBet
✓	The PointsBet Share price will likely fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal and will continue to be subject to potential market volatility
✓	Since the announcement of the Scheme, no Superior Proposal has emerged – however, see commentary in the Chairman's Letter, section 9.8 and elsewhere in this Scheme Booklet in relation to the Betr Revised Proposal
✓	Brokerage charges will not apply to the transfer of your PointsBet Shares under the Scheme

These reasons are described in further detail in section 1.3.

Reasons to vote against the Scheme

×	You may disagree with the unanimous recommendation of the PointsBet Directors and with the Independent Expert's conclusion that the Scheme is in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal
×	You may prefer to participate in the future financial performance of the PointsBet business
×	You may believe it is in your best interests to maintain your current investment and risk profile
×	You may believe that there is potential for a Superior Proposal to emerge – in particular the Betr Revised Proposal as referred to in the Chairman's Letter, section 9.8 and elsewhere in this Scheme Booklet
×	The tax consequences of transferring your PointsBet Shares pursuant to the Scheme may not be attractive to you

These reasons are described in further detail in section 1.4.

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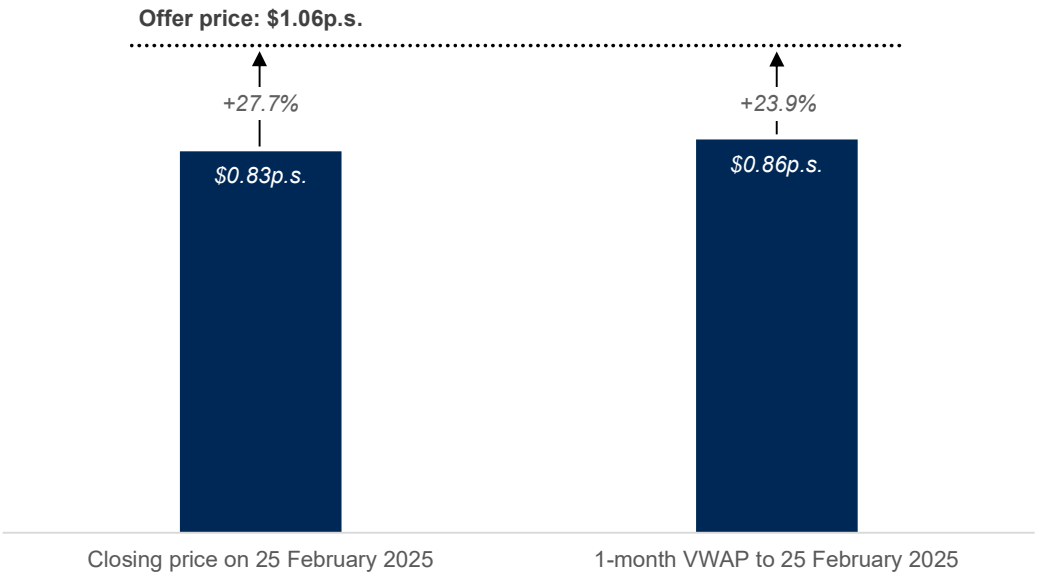
1.3 Key reasons to vote for the Scheme

a) The Scheme Consideration represents an attractive premium relative to the PointsBet Share price, prior to the public announcement of the Scheme, and an attractive implied EV/EBITDA multiple based of FY25 EBITDA guidance

If the Scheme is approved and implemented, PointsBet Shareholders will receive $1.06 in cash for each PointsBet Share they hold as at the Record Date.

The Scheme Consideration of $1.06 cash per PointsBet Share represents a significant premium of:

- 27.7% to PointsBet's closing price on 25 February 2025, being the last trading day prior to announcement; and
- 23.9% to the 1-month VWAP up to that date.



In addition, the Scheme Consideration also represents an implied EV/EBITDA multiple of 25.2x – 32.1x based on PointsBet's FY25 EBITDA guidance range, which compares very favourably with historical sector trading multiples and multiples associated with other transactions in the sector.

As at the Last Practicable Date, the PointsBet Share price was $1.095. The Scheme Consideration of $1.06 cash per PointsBet Share represents a reduction of 3.2% to PointsBet's closing price on the Last Practicable Date.

b) The PointsBet Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders

The PointsBet Directors believe the Scheme represents a compelling opportunity for PointsBet Shareholders to realise certain cash value, at a significant premium to recent trading prices and at an implied FY25E EV/EBITDA multiple which compares very favourably with historical sector trading multiples and multiples associated with other transactions in the sector.

In the absence of a Superior Proposal, each of the PointsBet Directors intends to vote all PointsBet Shares held or controlled by him or her in favour of the Scheme Resolution. The interests of PointsBet Directors are set out in section 9.1.

c) The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal

The PointsBet Board appointed Grant Samuel & Associates Pty Limited as the Independent Expert to prepare an Independent Expert's Report.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders, in the absence of a Superior Proposal.

The Independent Expert has valued PointsBet Shares in the range of $0.96 to $1.11 per PointsBet Share. The Scheme Consideration of $1.06 cash per PointsBet Share is within this range.

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The reason why the Independent Expert has reached these conclusions is detailed in the Independent Expert's Report, which is included in Annexure D of this Scheme Booklet. The PointsBet Directors encourage you to read the Independent Expert's Report in its entirety.

d) The Scheme Consideration provides cash certainty and means you will no longer be exposed to ongoing risks and uncertainties regarding your investment in PointsBet

The consideration payable by MIXI Australia is 100% cash ($1.06 per PointsBet Share). This provides PointsBet Shareholders with certainty of value and the opportunity to realise their investment in full.

The certainty offered by the Scheme Consideration must be considered against the risks associated with continuing to hold an investment in PointsBet, notably:

- the competition in Canada is fierce, and the Canadian business segment is yet to achieve profitability; and
- in Australia, the regulatory outlook remains uncertain, and there is the prospect of potential future increases to taxes and product fees. In addition, PointsBet's 'best in class' compliance standards means it faces risks to its VIP revenue (in particular) from smaller operators with less rigorous compliance frameworks.

A summary of certain key risks associated with the PointsBet business and remaining a shareholder are set out in section 7.

e) The PointsBet Share price will likely fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal

If the Scheme is not implemented, PointsBet Shares will continue to trade on the ASX and be exposed to market volatility, including general stock price movements, changes in economic conditions and the demand for listed securities.

On 25 February 2025, being the last day prior to announcement of the proposed Scheme, PointsBet's Share price was $0.83.

As at the Last Practicable Date, the PointsBet Share price was $1.095.

This price reflects the terms of the Scheme (including the benefit of the Scheme Consideration) and includes a control premium to the 25 February 2025 above-stated Share price.

While the PointsBet Directors are unable to predict the price at which PointsBet Shares will trade in the future, they consider that, if the Scheme is not implemented and a Superior Proposal is not forthcoming, the price of PointsBet Shares will likely fall in the short term.

f) Since the announcement of the Scheme, no Competing Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal

Whilst PointsBet did receive the Betr Proposal on 18 February 2025, the PointsBet Board at that time formed the view that it could not reasonably be expected to lead to a Superior Proposal.

On 29 April 2025, PointsBet received a further proposal from Betr, being the Betr Revised Proposal.

The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal.

PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform.

Since the announcement of the Scheme on 26 February 2025 and up to the date of this Scheme Booklet, no Competing Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal.

Further information is set out in the Chairman's Letter and section 9.8.

g) Brokerage charges will not apply to the transfer of your PointsBet Shares under the Scheme

You will not incur any brokerage or stamp duty on the transfer of your PointsBet Shares to MIXI Australia under the Scheme.

If you sell your PointsBet Shares on the ASX (rather than disposing of them as part of the Scheme), you may incur brokerage charges (and, potentially GST on those charges).

1.4 Why you may consider voting against the Scheme

The PointsBet Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders.

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Notwithstanding this unanimous recommendation, there are also potential reasons why you may consider voting against the Scheme, including the below.

a) You may disagree with the PointsBet Directors' unanimous recommendation and the Independent Expert's conclusion

Despite the unanimous recommendation of the PointsBet Directors to vote in favour of the Scheme and the conclusion of the Independent Expert that the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders, you may believe that the Scheme is not in your best interests.

b) You may prefer to participate in the future financial performance of the PointsBet business

If the Scheme is implemented, you will no longer be a PointsBet Shareholder and will forgo any benefits that may result from being a PointsBet Shareholder.

This will mean that you will not participate in the future performance of PointsBet or retain any exposure to PointsBet's business or assets or have the potential to share in the value that could be generated by PointsBet in the future. However, there is no guarantee as to PointsBet's future performance, as is the case with all equity investments.

An overview of the PointsBet business as well as historical financial information about PointsBet and current trading commentary is set out in section 5 of this Scheme Booklet.

c) You may believe it is in your best interests to maintain your current investment and risk profile

You may prefer to keep your PointsBet Shares to preserve your investment in a listed company with the specific characteristics of PointsBet.

In particular, you may consider that, despite the risk factors relevant to PointsBet's potential future operations (including those set out in section 7 of this Scheme Booklet), PointsBet may be able to return greater value from its assets in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of PointsBet or may incur transaction costs in undertaking any new investment.

d) You may believe that there is potential for a Superior Proposal to emerge

You may consider that a Superior Proposal could emerge in the future – in particular, the Betr Proposal as referred to in the Chairman's Letter and elsewhere in this Scheme Booklet.

When PointsBet received the Betr Proposal on 18 February 2025, the PointsBet Board at that time formed the view that it could not reasonably be expected to lead to a Superior Proposal.

On 29 April 2025, PointsBet received a further proposal from Betr, being the Betr Revised Proposal. On 29 April 2025, Betr also advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal. In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme.

The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal.

PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform.

Since the announcement of the Scheme on 26 February 2025 and up to the date of this Scheme Booklet, no Competing Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal.

Further information is set out in the Chairman's Letter and section 9.8.

e) The tax consequences of transferring your PointsBet Shares pursuant to the Scheme may not be attractive to you

The tax consequences of the Scheme will depend on your personal situation.

You may consider that the tax consequences of transferring your PointsBet Shares to MIXI Australia pursuant to the Scheme are not attractive to you. PointsBet Shareholders should read the Australian tax implications of the Scheme outlined in section 8 of this Scheme Booklet.

However, section 8 of this Scheme Booklet is general in nature, and PointsBet Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Scheme.

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While the PointsBet Directors have considered the possible reasons to vote against the Scheme Resolution as set out above, they unanimously consider that these are outweighed by the reasons to vote in favour of the Scheme as set out in section 1.3 above.

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2 Frequently Asked Questions

The following table provides brief answers to some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for PointsBet Shareholders and must be read in conjunction with all other parts of this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Question	Answer	More information
Overview of the Scheme		
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent or made available to you because you are a PointsBet Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.	Section 4 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure A.
What is the Scheme?	The Scheme is a scheme of arrangement between PointsBet and the Scheme Shareholders (being PointsBet Shareholders at the Scheme Record Date other than Excluded Shareholders). The Scheme will give effect to the acquisition of PointsBet by MIXI Australia. A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used to enable a company to acquire another company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution to implement the scheme of arrangement by the requisite majorities of shareholders. If the Scheme is approved and implemented, Scheme Shareholders will receive the Scheme Consideration of $1.06 per PointsBet Share. The terms of the Scheme are set out in full in Annexure A.	Section 4 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure A.
Who are MIXI and MIXI Australia?	MIXI is a consumer technology company, with its principal business activities including the development and operation of mobile games, communication services, publicly managed sports betting services and management of professional sports teams in Japan. The MIXI Group has over 1,600 permanent employees across the globe and generated approximately JPY110 billion (approximately A$1.13 billion)[3] in net sales in the 9 months to 31 December 2024. MIXI's wholly-owned subsidiary, MIXI Australia, was incorporated for the purpose of acquiring the Scheme Shares pursuant to the Transaction, and has not conducted any other business. See section 6.2 for further information on MIXI and MIXI Australia.	Section 6.2 contains further details about MIXI and its group companies.
What are MIXI Australia's intentions for PointsBet if the Scheme is implemented?	If the Scheme is implemented, MIXI Australia currently intends to: (a) continue PointsBet's existing businesses without material changes to its operation and organisation; (b) leverage PointsBet's platform to develop a new social betting offering; and	Section 6.6 contains further details about the intentions of MIXI Australia.

[3] Based on the exchange rate of 1 AUD : 97.62 JPY as at 31 December 2024.

Question	Answer	More information
	(c) arrange for PointsBet to be removed from the official list of ASX. These intentions may change as new information becomes available to MIXI or as circumstances change. See section 6.6 for further details of MIXI's intentions in relation to PointsBet if the Scheme is implemented.	
Recommendations and intentions		
What do the PointsBet Directors recommend in relation to the Scheme and how do they intend to vote on the Scheme?	Your Directors unanimously recommend that all PointsBet Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders. Subject to those same qualifications, each PointsBet Director who holds or controls PointsBet Shares intends to vote those Shares in favour of the Scheme. When considering the recommendation of the PointsBet Directors, you should note that Sam Swanell (PointsBet Group CEO and Managing Director) will be receiving benefits if the Scheme proceeds. This comprises the early vesting of 1,647,411 Performance Share Rights pertaining to Sam Swanell (representing an aggregate amount of $1,746,255.66, less any applicable withholding tax and superannuation, on cash settlement of the vested Performance Share Rights), in accordance with the KEEP rules and the Scheme Implementation Deed, which is outlined in further detail in sections 9.1 and 9.5. Importantly, PointsBet Shareholders will not be disadvantaged by the proposed treatment of the Performance Share Rights. All Options on issue in PointsBet will either lapse or be cancelled for no consideration in accordance with the PointsBet ESOP rules and pursuant to the Scheme Implementation Deed.	Section 1.3 contains the key reasons why the PointsBet Board considers that PointsBet Shareholders should vote in favour of the Scheme. Section 9.1 sets out details of the interests of the PointsBet Directors in PointsBet and the benefits of the Scheme being implemented for PointsBet Directors. Section 9.4 sets out further details regarding the Options. Section 9.5 sets out further details regarding the Performance Share Rights.
What is the opinion of the Independent Expert?	The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of PointsBet Shareholders.	A copy of the Independent Expert's Report is contained in Annexure D.
Overview of the Scheme Consideration		
When will I be paid?	If the Scheme becomes Effective, payment of the Scheme Consideration will be made on the Implementation Date (currently expected to be Wednesday, 25 June 2025).	Section 4.2 sets out further details on the Scheme Consideration.
How will I be paid?	All cash to be paid under the Scheme Consideration will be made by: • making a deposit in Australian currency into an Australian Authorised Deposit-taking Institution, notified by the relevant PointsBet Shareholder to the Share Registry by the Scheme Record Date; • Global Wire Payment Service, if a PointsBet Shareholder has elected to receive payments electronically in their local currency using the Share Registry's Global Wire Payment Service by the Scheme Record Date; or	Section 4.2 sets out further details on the Scheme Consideration.

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Question	Answer	More information
	• sending a cheque in Australian currency by prepaid post to the relevant Scheme Shareholder's address as recorded in the PointsBet Share Register at the Scheme Record Date. If you are a Scheme Shareholder with a registered address in New Zealand and you have not provided your bank account details, your payment will be withheld pending receipt of your valid bank account details or dealt with in accordance with applicable unclaimed money legislation. In order to update your bank details, please provide your bank account details by accessing the following link www-au.computershare.com/Investor. PointsBet Shareholders will need to have registered for an account to do this. Alternatively, you can request a direct credit form by calling the Share Registry and post the completed form to: Computershare Investor Services Pty Limited GPO Box 2975 Melbourne, VIC 3001 Australia.	
How is MIXI Australia funding the Scheme Consideration?	MIXI Australia intends to fund payment of the Scheme Consideration from MIXI's cash reserves. As at 31 December 2024 (being MIXI's most recently reported balance sheet date), MIXI had over JPY100bn (over A$1 billion) of cash and deposits on its balance sheet. Implementation of the Scheme is not conditional on MIXI obtaining funding from any financier. See section 6.5 for further information on the funding of the Scheme Consideration.	Section 6.5 contains further details about the funding arrangements of MIXI Australia.
Will I have to pay brokerage?	You will not have to pay brokerage on the transfer of your PointsBet Shares to MIXI Australia under the Scheme.	N/A
What are the tax implications of the Scheme?	The tax implications of the Scheme will depend on your particular circumstances. Section 8 provides a general description of the Australian tax consequences for Scheme Shareholders. You should seek independent professional tax advice with respect to your particular circumstances.	Section 8 provides a general description of the Australian tax consequences.
Conditions to the Scheme		
Are there any conditions to be satisfied?	Yes. The conditions to the Scheme are summarised in section 9.3(a) and set out in full in clause 3.1 of the Scheme Implementation Deed. The conditions include customary conditions in schemes of arrangement (such as shareholder approval, Court approval and the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders) as well as gambling regulatory approvals in Australia and Canada and FIRB approval. PointsBet received approval of the Transaction and other key components of the Australian gambling regulatory approvals on 24 March 2025 with the other components being approved subject to the satisfaction of standard regulator probity assessments. When the Canadian gambling regulatory approval or FIRB approval is obtained, PointsBet will make an ASX announcement accordingly.	Section 9.3(a) contains further information on the conditions to the Scheme.

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Question	Answer	More information
	As at the date of this Scheme Booklet, the PointsBet Directors are not aware of any reason why any condition to the Scheme will not be satisfied.	
Scheme Meeting and voting		
When and where will the Scheme Meeting be held?	The Scheme Meeting is scheduled to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria and online at https://meetnow.global/MRCLAGN on Thursday, 12 June 2025 at 9.00am (Melbourne time). Please monitor the PointsBet website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting. Please see the Notice of Scheme Meeting in Annexure C for further details relating to the conduct of the Scheme Meeting. The Scheme Meeting may be postponed or adjourned. Any such adjournment will be announced on the ASX and set out on the PointsBet website.	The Notice of Scheme Meeting contained in Annexure C sets out further details on the Scheme Meeting.
What vote is required to approve the Scheme?	For the Scheme to proceed, the Scheme Resolution must be passed by: • a majority in number of PointsBet Shareholders (other than an Excluded Shareholder) who vote on the Scheme Resolution; and • at least 75% of the total number of votes cast on the Scheme Resolution. The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so. As advised in this Scheme Booklet, on 29 April 2025, Betr advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal. In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme.	Section 4.3(a) and the Notice of Scheme Meeting contained in Annexure C set out further details on the Scheme approval requirements.
Am I entitled to vote at the Scheme Meeting?	Each PointsBet Shareholder (other than an Excluded Shareholder) who is registered on the PointsBet Share Register at 7.00pm (Melbourne time) on Tuesday, 10 June 2025 is entitled to attend and vote at the Scheme Meeting.	The Notice of Scheme Meeting contained in Annexure C sets out further details on your entitlement to vote.
How do I vote if I am not able to attend the Scheme Meeting?	If you would like to vote but cannot attend the Scheme Meeting in person or online, you can vote by appointing a proxy (including by lodging your proxy form online at www.investorvote.com.au) or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.	The Notice of Scheme Meeting contained in Annexure C sets out further details on how to vote at the Scheme Meeting.
When will the result of the Scheme Meeting be known?	The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available. Even if the Scheme Resolution is passed at	N/A

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Question	Answer	More information
	the Scheme Meeting, the Scheme is still subject to approval of the Court.	
What happens if the Scheme does not proceed?	If the Scheme is not approved at the Scheme Meeting or by the Court, or another condition to the Scheme is not satisfied or waived (where capable of waiver), then the Scheme will not be implemented. If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration but will retain their PointsBet Shares. In these circumstances, PointsBet will, in the absence of another proposal, continue to operate as a stand-alone entity listed on ASX.	Section 4.4 sets out further details on what happens if the Scheme does not proceed.
What happens to my PointsBet Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	If you do not vote, or vote against the Scheme, and the Scheme becomes Effective, any PointsBet Shares held by you on the Scheme Record Date (currently expected to be Wednesday, 18 June 2025) will be transferred to MIXI Australia and you will receive the Scheme Consideration, notwithstanding that you may not have voted or voted against the Scheme.	N/A
If the Scheme is implemented, will PointsBet cease trading on ASX?	PointsBet intends to apply to ASX for PointsBet to be suspended from trading on ASX from close of trading on the Effective Date (which is currently expected to be Monday, 16 June 2025). Following the Implementation Date, PointsBet will apply for termination of the official quotation of PointsBet Shares on ASX and for PointsBet to be removed from the official list of ASX.	Sections 4.3(b), 4.6 and 6.6(b) set out further details on ceasing trade on the ASX.
Other questions		
Can I sell my PointsBet Shares now?	You can sell your PointsBet Shares on market at any time before close of trading on ASX on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration). You will not be able to sell your PointsBet Shares on market after close of trading on the Effective Date. If you sell your PointsBet Shares on market, you may pay brokerage on the sale, you will not receive the Scheme Consideration and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.	N/A
What happens if a Competing Proposal is received?	If a Competing Proposal is received, the PointsBet Board will carefully consider it – as the Board is currently doing in relation to the Betr Revised Proposal. PointsBet must notify MIXI Australia of that Competing Proposal in accordance with the terms of the Scheme Implementation Deed. PointsBet Shareholders should note that PointsBet has agreed to certain exclusivity and Break Fee provisions in favour of MIXI Australia under the Scheme Implementation Deed.	Section 9.3 details the potential for a Competing Proposal, and the relevant process and considerations.
What is the Betr Proposal and the Betr Revised Proposal?	Shareholders may also be aware that, on 18 February 2025, PointsBet received a confidential, non-binding, indicative proposal from Betr (being the **Betr Proposal**). As announced by PointsBet in a letter to shareholders on 3 April 2025, the PointsBet Board considered the Betr Proposal, and	Section 9.8.

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Question	Answer	More information
	with the input of advice from PointsBet's financial and legal advisers, the PointsBet Board determined at that time that the Betr Proposal could not reasonably be expected to lead to a Superior Proposal relative to the Scheme having regard to a number of factors, including that the Betr Proposal could not be reasonably characterised as fully funded. On 29 April 2025, PointsBet received a further confidential, non-binding, indicative proposal from Betr, details of which were announced by Betr on 29 April 2025 (being the **Betr Revised Proposal**). On 29 April 2025, Betr also advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal. In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme. The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal. The Betr Revised Proposal remains indicative and non-binding and is subject to due diligence, and there is no guarantee it will result in a binding proposal. Accordingly, in compliance with its contractual obligations under the Scheme Implementation Deed with MIXI and MIXI Australia, PointsBet considers that it is in the best interests of PointsBet Shareholders to proceed with the steps required for implementation of the proposed transaction with MIXI, while concurrently assessing whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal. PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform. Since the announcement of the Scheme on 26 February 2025 and up to the date of this Scheme Booklet, no Competing Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal. Further information about the Betr Proposal and Betr Revised Proposal is set out in section 9.8. The relevant process and considerations for the PointsBet Board in the event of any further Competing Proposals are outlined in section 9.3.	
What are the prospects of receiving a Superior Proposal?	PointsBet has received a further proposal from Betr since the Betr Proposal, being the Betr Revised Proposal. The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal. PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform. Since the announcement of the Scheme on 26 February 2025 and up to the date of this Scheme Booklet, no Competing	N/A

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Question	Answer	More information
	Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal.	
Where can I get further information?	For further information, you can call the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday (excluding public holidays).	N/A

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3 How to vote

3.1 Your vote is important

This Scheme Booklet is an important document. You should carefully read this Scheme Booklet in its entirety (including the Independent Expert's Report included in Annexure D) before deciding whether to vote in favour of the Scheme.

For the Scheme to proceed, it is necessary that sufficient PointsBet Shareholders (other than an Excluded Shareholder) vote in favour of the Scheme. If you are registered as a PointsBet Shareholder at 7.00pm (Melbourne time) on Tuesday, 10 June 2025 and are not an Excluded Shareholder, you will be entitled to vote on the Scheme.

If you have any questions, please contact the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday (excluding public holidays). If you are in any doubt as to what you should do, please consult your broker, legal, financial, tax, accounting and/or other professional adviser immediately.

3.2 Notice of Scheme Meeting

See the Notice of Scheme Meeting contained in Annexure C for further details relating to the conduct of the Scheme Meeting.

3.3 Procedure

You may vote on the Scheme:

- (**in person**) by attending the Scheme Meeting in person held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria and voting during the meeting;
- (**online**) by attending the Scheme Meeting online via https://meetnow.global/MRCLAGN and voting online during the meeting;
- (**by proxy**) by lodging a proxy form online at www.investorvote.com.au and by including the 6-digit control number, or by completing, signing and lodging a proxy form for the Scheme Meeting in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the Share Registry by 9.00am (Melbourne time) on Tuesday, 10 June 2025;
- (**by attorney**) by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Share Registry by 9.00am (Melbourne time) on Tuesday, 10 June 2025; or
- (**by corporate representative**) in the case of a body corporate which is a PointsBet Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that PointsBet Shareholder and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further detail on how to vote using each of these methods is contained in the Notice of Scheme Meeting attached as Annexure C.

If you are in favour of the Scheme, you should vote in favour of the Scheme. The Scheme will not proceed unless the Scheme is approved by PointsBet Shareholders.

3.4 Voting Entitlement

Each PointsBet Shareholder (other than an Excluded Shareholder) who is registered on the PointsBet Share Register at 7:00pm (Melbourne time) on Tuesday, 10 June 2025 is entitled to attend and vote at the Scheme Meeting in person or online, by proxy, by attorney or, in the case of a corporation which is a PointsBet Shareholder, by its representative appointed in accordance with the Corporations Act.

As at the date of the Scheme Booklet, there are no Excluded Shareholders.

Information on entitlements to vote, including if you are a joint holder of PointsBet Shares, is contained in the Notice of Scheme Meeting which is attached as Annexure C.

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4 Overview of the Scheme

4.1 Background to the Scheme

On 26 February 2025, PointsBet announced that it had entered into a Scheme Implementation Deed with MIXI and MIXI Australia, under which it is agreed that MIXI Australia will acquire all of the shares in PointsBet by way of a scheme of arrangement, subject to several conditions, including FIRB approval, gambling regulatory approvals from jurisdictions in both Australia (from which PointsBet received approval of the Transaction and key components of the required approvals on 24 March 2025 with the other components being approved subject to the satisfaction of standard regulatory probity assessments) and Canada, approval from PointsBet Shareholders and the Court, and other customary conditions. A full copy of the Scheme Implementation Deed was attached to the PointsBet announcement to the ASX relating to the Scheme on 26 February 2025. A summary of the material terms of the Scheme Implementation Deed is contained in section 9.3.

4.2 Consideration

If the Scheme is approved and implemented, Scheme Shareholders will be entitled to receive the Scheme Consideration of $1.06 per PointsBet Share held by them on the Scheme Record Date. All cash to be paid under the Scheme Consideration will be made by:

- making a deposit in Australian currency into an Australian Authorised Deposit-taking Institution, notified by the relevant Scheme Shareholder to the Share Registry by the Scheme Record Date;
- Global Wire Payment Service, if a Scheme Shareholder has elected to receive payments electronically in their local currency using the Share Registry's Global Wire Payment Service by the Scheme Record Date; or
- sending a cheque in Australian currency by prepaid post to the relevant Scheme Shareholder's address as recorded in the PointsBet Share Register at the Scheme Record Date.

If you are a Scheme Shareholder with a registered address in New Zealand and you have not provided your bank account details, your payment will be withheld pending receipt of your valid bank account details or dealt with in accordance with applicable unclaimed money legislation.

You can update your bank account details by accessing the following link www-au.computershare.com/Investor. Scheme Shareholders will need to have registered for an account to do this. Alternatively, you can request a direct credit form by calling the Share Registry and post the completed form to: Computershare Investor Services Pty Limited GPO Box 2975 Melbourne, VIC 3001 Australia.

4.3 Key steps in the Scheme

(a) Scheme approval requirements

The Scheme will only become Effective and be implemented if it is approved by the requisite majorities of PointsBet Shareholders at the Scheme Meeting to be held on Thursday, 12 June 2025, approved by the Court at the Second Court Hearing and the other conditions to the Scheme outlined in section 9.3(a) are satisfied or waived (as applicable).

Agreement by PointsBet Shareholders requires the Scheme Resolution to be approved by:

- a majority in number (more than 50%) of PointsBet Shareholders (other than an Excluded Shareholder) present and entitled to vote at the Scheme Meeting (either in person or online, or by proxy, attorney or, in the case of corporate PointsBet Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by PointsBet Shareholders (other than an Excluded Shareholder) present and entitled to vote at the Scheme Meeting (either in person or online, or by proxy, attorney or, in the case of corporate PointsBet Shareholders, body corporate representative).

The Court has the power to waive the first requirement.

On 29 April 2025, Betr advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal. In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme.

In the event that the Scheme is approved by the requisite majorities of PointsBet Shareholders at the Scheme Meeting, and all other conditions (except Court approval of the Scheme) have been satisfied or waived (where capable of waiver), then PointsBet will apply to the Court for an order approving the Scheme.

Each PointsBet Shareholder has the right to appear at the Second Court Hearing.

(b) Effective Date

If the Court approves the Scheme and all other conditions have been satisfied or waived (where capable of waiver), the Scheme will become Effective on the date when a copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. PointsBet will, on the Scheme becoming Effective, give notice of that event to the ASX.

PointsBet intends to apply to the ASX for PointsBet Shares to be suspended from official quotation on ASX from close of trading on the date the Scheme becomes Effective.

(c) Scheme Record Date

Those PointsBet Shareholders (other than an Excluded Shareholder) who are recorded on the PointsBet Share Register on the Scheme Record Date (currently expected to be Wednesday, 18 June 2025) will be entitled to receive the Scheme Consideration of $1.06 per PointsBet Share in respect of the PointsBet Shares they hold as at the Scheme Record Date.

(1) Dealings on or prior to the Scheme Record Date

For the purposes of determining which PointsBet Shareholders are eligible to participate in the Scheme, dealings in PointsBet Shares will only be recognised if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the PointsBet Share Register as the holder of the relevant PointsBet Shares as at 7.00pm (Melbourne time) on the Scheme Record Date (which is currently expected to be Wednesday, 18 June 2025); and
- in all other cases, registrable transfer or transmission applications in respect of those dealings are received by the Share Registry on or before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, PointsBet will not accept for registration or recognise any transfer or transmission applications in respect of PointsBet Shares received after the Scheme Record Date or received before the Scheme Record Date but not in registrable or actionable form.

(2) Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, PointsBet must maintain the PointsBet Share Register in its form as at the Scheme Record Date (currently expected to be Wednesday, 18 June 2025) until the Scheme Consideration has been paid to the Scheme Shareholders. The PointsBet Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for PointsBet Shares will cease to have effect as documents relating to title in respect of such PointsBet Shares; and
- each entry on the PointsBet Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the PointsBet Shares relating to that entry.

(3) Implementation Date

The Implementation Date is the fifth Business Day after the Scheme Record Date, which is currently expected to be Wednesday, 25 June 2025.

MIXI Australia must, and MIXI must procure that MIXI Australia does, by no later than the Business Day before the Implementation Date, deposit or procure the payment of, the aggregate Scheme Consideration payable to Scheme Shareholders into a trust account nominated by PointsBet.

Immediately after the Scheme Consideration is sent to Scheme Shareholders, the Scheme Shares will be transferred to MIXI Australia, and PointsBet will enter the name of MIXI Australia in the PointsBet Share Register in respect of the Scheme Shares, without Scheme Shareholders needing to take any further action.

(4) Deed Poll

MIXI and MIXI Australia have executed the Deed Poll pursuant to which each of MIXI and MIXI Australia have undertaken in favour of each Scheme Shareholder, to provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder which they are entitled under the Scheme, subject to the Scheme becoming Effective.

A copy of the Deed Poll is contained in Annexure B.

4.4 If the Scheme does not become Effective

If the Scheme does not proceed, PointsBet Shareholders will continue to hold their PointsBet Shares.

In the absence of any alternative or Competing Proposal to the Scheme, PointsBet will continue as a stand-alone entity. PointsBet Shareholders will be exposed to the risks relating to the PointsBet Business, including those set out in section 7.

In the absence of an alternative proposal which is similar or superior to the Scheme, it is likely that the price at which PointsBet Shares trade will fall.

Depending on the reasons why the Scheme does not proceed:

- PointsBet may be liable to pay the Break Fee. Information about the Break Fee is set out in section 9.3(c); and
- MIXI Australia may be liable to pay the Reverse Break Fee. Information about the Reverse Break Fee is set out in section 9.3(d).

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Prior to the Scheme Meeting, Transaction costs will have been incurred, or will be committed, by PointsBet in relation to the Scheme. Those Transaction costs have either already been paid or will be payable by PointsBet regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred. See section 9.12 for further details about these Transaction costs.

4.5 Warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to PointsBet and MIXI Australia on the Implementation Date, and appointed and authorised PointsBet as its attorney and agent to warrant to MIXI Australia on the Implementation Date, that:

- all of its PointsBet Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- it has no existing right to be issued any shares, equity incentives or other securities; and
- it has full power and capacity to transfer its PointsBet Shares to MIXI Australia together with any rights and entitlements attaching to those shares.

4.6 Delisting of PointsBet

On a date after the Implementation Date to be determined by MIXI Australia, PointsBet will apply for termination of the official quotation of PointsBet Shares on the ASX and to have itself removed from the official list of the ASX.

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5 Information about PointsBet

5.1 Introduction

The information contained in this section 5 has been prepared by PointsBet. The information concerning PointsBet and its group companies, and the intentions, views and opinions contained in this section 5 have been prepared as at the date of this Scheme Booklet and are the responsibility of PointsBet. None of MIXI Australia, MIXI, their Related Bodies Corporate nor any of their respective directors, officers, employees and advisers assume any responsibility for the accuracy or completeness of the information in this section 5 or any other section of this Scheme Booklet (other than the MIXI Information).

5.2 PointsBet Overview

PointsBet is an online corporate bookmaker, offering a wide range of betting products and services direct to clients in Australia and Ontario, Canada across four types of betting product:

- Fixed Odds Racing;
- Fixed Odds Sports;
- PointsBetting; and
- iGaming (online casino).

PointsBet was founded in 2015 with the aim of offering new ways for Australian bettors to place bets on Australian and United States sports. In February 2017, PointsBet was granted an Australian Sports Bookmaker Licence by the Northern Territory Racing Commission and entered the Australian market with a unique betting product called "PointsBetting".

PointsBet has since developed into a full-service online corporate bookmaker, offering sports, racing, novelty betting and iGaming (online casino) products direct to clients in Australia and Ontario, Canada using its own cloud-based platform.

PointsBet was listed on the ASX in June 2019 as PointsBet Holdings Limited. PointsBet secured market access to operate as an online bookmaker in the US State of New Jersey in July 2018 (launching in January 2019) and subsequently commenced operations in a total of 14 US States.

In February 2022, PointsBet was officially approved by the Alcohol and Gaming Commission of Ontario as a licensed sportsbook in Ontario, Canada and commenced betting operations on 4 April, 2022 becoming the first licensed operator to take a legal bet in Ontario, Canada.

On 15 May 2023, PointsBet announced the sale of its United States sports wagering, advanced-deposit wagering and iGaming operations, Banach technology, and a copy of the software for, and a licence to use, PointsBet's proprietary technology platform (**US Business**) to FBG Enterprises Opco, LLC d/b/a Fanatics Betting and Gaming (**FBG**). The sale of the US Business completed over two tranches, with the final completion occurring on 4 April 2024. Following the sale, PointsBet retained its leading Australian business and operations and growing Canadian business and operations, together with ownership of PointsBet's proprietary sports wagering, racing, and iGaming platform and a perpetual, royalty-free licence to exploit the Banach technology assets (OddsFactory).

As at the Last Practicable Date, PointsBet had 332 employees, of which 242 are based in Australia (Melbourne and Darwin), 55 are based in Ontario, Canada and 35 are based in India.

5.3 PointsBet Board

As at the date of this Scheme Booklet, the PointsBet Board comprises:

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Name	Position
Brett Paton	Non-Executive Chairman
Sam Swanell	PointsBet Group CEO and Managing Director
Peter McCluskey	Non-Executive Director
Tony Symons	Non-Executive Director
Becky Harris	Non-Executive Director
Kosha Gada	Non-Executive Director
Manjit Gombra-Singh	Non-Executive Director
William Grounds	Non-Executive Director

5.4 PointsBet Directors' intentions

If the Scheme is implemented, the current PointsBet Board will be reconstituted as determined by MIXI Australia. It is for the reconstituted PointsBet Board to determine its intentions as to the continuation of the PointsBet Business, any major changes, if any, to be made to the PointsBet Business and the future employment of the present employees of PointsBet. If the Scheme is implemented, MIXI Australia will have 100% ownership and control of PointsBet. The current intentions of MIXI Australia with respect to these matters are set out in section 6.6. If the Scheme is not implemented, the PointsBet Directors intend to continue operating PointsBet in the ordinary course of business.

5.5 Risks relating to the PointsBet Business

There are existing risks relating to the PointsBet Business and an investment in PointsBet. If the Scheme is not implemented, those risks continue to be relevant to PointsBet Shareholders. A summary of the key risks relating to the PointsBet Business and an investment in PointsBet is set out in section 7.

5.6 Historical financial information

This section 5.6 contains financial information relating to PointsBet for the financial years ended 30 June 2023 and 30 June 2024, and the half year ended 31 December 2024. The financial information in this section 5.6 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

The historical financial information of PointsBet presented in this Scheme Booklet is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. PointsBet considers that, for the purposes of this Scheme Booklet, the historical financial information presented in abbreviated form is more meaningful to PointsBet Shareholders. The historical financial information of PointsBet has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a stand-alone basis and accordingly does not reflect any impact of the Scheme.

Further detail about PointsBet's financial performance can be found in the financial statements for the years ended 30 June 2023 and 30 June 2024 and the financial statements for the financial half year ended 31 December 2024 (included in the Half Year Report released to ASX on 26 February 2025). Copies of these documents can be obtained, free of charge, from the ASX website www.asx.com.au or from the PointsBet website https://investors.pointsbet.com.au/company-announcements.

(a) PointsBet historical consolidated statement of profit or loss and other comprehensive income

The following table presents the historical consolidated statement of profit or loss and other comprehensive income for PointsBet for the financial years ended 30 June 2023 and 30 June 2024 and the half year ended 31 December 2024.

	FY2023* $000	FY2024 $000	HY2025 $000
Revenue	210,298	245,492	124,362
Cost of sales	(104,595)	(115,917)	(59,406)
Gross profit	**105,703**	**129,575**	**64,956**
Other income / (other expense)	6,093	(9,388)	208
Expenses			
Marketing expenses	(90,333)	(70,965)	(38,013)
Employee benefits expenses	(64,900)	(44,461)	(22,080)
Information technology costs	(13,969)	(9,772)	(6,269)
Administration expenses	(5,493)	(3,948)	(1,693)
Consulting expenses	(1,698)	(941)	(460)
Occupancy expenses	(817)	(1,185)	(546)

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Other expenses	(6,436)	(1,075)	(1,569)
Travel and accommodation expenses	(796)	(646)	(183)
Depreciation and amortisation	(27,962)	(27,459)	(11,719)
Impairment expense	(15,157)	(2,164)	-
Total Expenses	**(227,561)**	**(162,616)**	**(82,532)**
Finance income	8,105	3,223	252
Finance expenses	(150)	(249)	(99)
Finance income – net	7,955	2,974	153
Loss before income tax	**(107,810)**	**(39,455)**	**(17,215)**
Income tax expense	(70)	(177)	-
Loss after income tax for the year from Continuing Operations	**(107,880)**	**(39,632)**	**(17,215)**
Discontinued Operations			
Net gain/(loss) on deconsolidation	93,292	(2,686)	-
Loss after tax for the year from Discontinued Operations	(261,725)	-	-
Net loss after tax for the year from Discontinued Operations	**(168,433)**	**(2,686)**	**-**
Total loss for the year	**(276,313)**	**(42,318)**	**(17,215)**
Other comprehensive (loss)			
Exchange differences on translation of foreign operations	6,146	(485)	(165)
Currency translation on companies disposed of, transferred to the income statement	(15,394)	-	-
Total comprehensive (loss) for the year	**(285,561)**	**(42,803)**	**(17,380)**
Total comprehensive loss for the year is attributable to:			
Continuing Operations	(108,279)	(40,117)	(17,380)
Discontinued Operations	(177,282)	(2,686)	-
Total comprehensive loss for the year is attributable to:			
Owners of PointsBet Holdings Limited	**(285,561)**	**(42,803)**	**(17,380)**

*FY2023 Consolidated statement of profit or loss and other comprehensive income from Continuing Operations represents results from Pointsbet's operations in Australia and Canada. The results from Discontinued Operations represent the results from Pointsbet's US Business and Europe operations, which were classified as discontinued effective from shareholder approval date on 30 June 2023.

(b) PointsBet historical consolidated statement of financial position

The following table presents the historical consolidated statement of financial position for PointsBet as at 30 June 2023 and 30 June 2024 and the half year ended 31 December 2024.

	FY2023* $000	FY2024 $000	HY2025 $000
ASSETS			
Current assets			
Cash and cash equivalents	212,052	42,176	32,540
Investments held at fair value	340,941	-	-
Trade and other receivables	2,085	1,703	527
Other current assets	4,849	4,801	6,134
Total current assets	559,927	48,680	39,201
Non-current assets			
Plant and equipment	474	269	192
Intangible assets	41,623	30,361	27,753
Other non-current assets	1,262	575	581
Right-of-use assets	3,483	1,981	2,011
Total non-current assets	46,842	33,186	30,537
Total assets	**606,769**	**81,866**	**69,738**
LIABILITIES			
Current liabilities			
Trade and other payables	59,089	40,459	39,064
Employee benefit obligations	3,250	2,948	3,081
Provisions	22,344	468	488
Financial liabilities	1,973	1,730	1,516
Other current liabilities	14,454	14,019	17,700
Lease liabilities	1,340	674	436
Total current liabilities	102,450	60,298	62,285
Non-current liabilities			
Employee benefit obligations	551	721	752
Lease liabilities	2,251	1,571	1,878
Provisions	62	19	19
Total non-current liabilities	2,864	2,311	2,649
Total liabilities	**105,314**	**62,609**	**64,934**
Net assets	**501,455**	**19,257**	**4,804**
EQUITY			
Share capital	1,204,351	810,587	812,992
Other reserves	89,683	43,567	43,924
Accumulated losses	(792,579)	(834,897)	(852,112)
Total equity	**501,455**	**19,257**	**4,804**

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*FY2023 Consolidated statement of financial position was prepared on a deconsolidated basis from the sale of PointsBet's US Business and Europe operations, which was effective from the shareholder approval date on 30 June 2023 when control over the operations was deemed to be lost and operations discontinued.

(c) PointsBet historical consolidated statement of cash flows

The following table presents the historical consolidated statement of cash flows for PointsBet for the financial years ended 30 June 2023 and 30 June 2024 and the half year ended 31 December 2024.

	FY2023* $000	FY2024 $000	HY2025 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	402,233	267,087	135,114
Payments to suppliers and employees (inclusive of GST)	(628,503)	(263,718)	(138,108)
	(226,270)	**3,369**	**(2,994)**
Interest received	8,538	3,431	253
Interest paid	(1,034)	(256)	(89)
Net increase / (decrease) in player cash accounts	(30,145)	(1,089)	3,352
Net cash inflow / (outflow) from operating activities	**(248,912)**	**5,455**	**522**
Cash flows from investing activities			
Payments for Plant and Equipment	(2,208)	(75)	(24)
Payments for Capitalised Software Development	(41,101)	(15,612)	(9,634)
Payments for Market Access Intangible	(6,580)	(246)	(10)
Payments for deposits and Rental Bond	(851)	(30)	-
Payments for funds held in escrow	(2,021)	-	-
Net proceeds for sale of Discontinued Operations	-	293,255	-
Net cash inflow / (outflow) from investing activities	**(52,760)**	**277,292**	**(9,668)**
Cash flows from financing activities			
Proceeds from issues of shares (net of share issue cost)	(271)	-	9
Option exercises	989	857	-
Repayment of leases	(5,210)	(1,094)	(524)
Return of Capital	-	(442,369)	-
Net cash (outflow) from financing activities	**(4,492)**	**(442,607)**	**(515)**
Net (decrease) in cash and cash equivalents	**(306,164)**	**(159,860)**	**(9,661)**
Cash and cash equivalents at the beginning of the financial year	519,596	212,052	42,176
Effects of exchange rate changes on cash and cash equivalents	(1,380)	(10,015)	25
Cash and cash equivalents at end of year	**212,052**	**42,176**	**32,540**

*FY2023 Consolidated Cashflow Statement includes cashflows from both Continuing Operations and Discontinued Operations, including the cashflows pertaining to the US Business and Europe operations which is presented in accordance with the Australian Accounting Standards Board ('AASB').

5.7 Material changes in financial position since 31 December 2024

To the knowledge of the PointsBet Directors, there have been no material changes to the financial position of PointsBet or the PointsBet Group since 31 December 2024 prior to the date of this Scheme Booklet. PointsBet will disclose to ASX any material changes to its financial position that occur after the date of this Scheme Booklet but prior to the Scheme being approved by the Court. A copy of the financial report for the half year ended 31 December 2024 can be obtained from the PointsBet website https://investors.pointsbet.com.au/company-announcements and PointsBet will give a copy free of charge to anyone who requests a copy.

5.8 No dividends

No dividends have been paid or declared by PointsBet in regard to FY2023 or FY2024.

5.9 Recent PointsBet Share price performance

PointsBet Shares are listed on ASX under the trading symbol 'PBH'.

The closing price of PointsBet Shares on ASX on 25 February 2025 (being the last trading day prior to the announcement of the Scheme) was $0.83. The PointsBet Share price at market close on ASX on the Last Practicable Date was $1.095.

During the three months ending close of market on 25 February 2025:

- the highest recorded daily closing price for PointsBet Shares was $1.05 on 4 December 2024; and
- the lowest recorded daily closing price for PointsBet Shares was $0.80 on 4, 5 and 10 February 2025.

5.10 PointsBet capital structure

As at the Last Practicable Date, PointsBet has on issue 331,725,272 PointsBet Shares, 933,334 Options and 16,079,446 Performance Share Rights as set out in section 9.4.

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5.11 PointsBet substantial holders

Based on publicly available information, as at the Last Practicable Date, PointsBet has received notifications from the following substantial holders in accordance with section 671B of the Corporations Act:

Substantial Shareholder	PointsBet Shares	Voting Power
Betr	66,013,329	19.9%
Pictet Asset Management (Singapore) Pte Ltd	19,794,787	5.96%
Raphael Kain Samson Rock Capital LLP (investment manager) Samson Rock Event Driven Master Fund Limited (master fund) Samson Rock Event Driven Fund Limited (feeder fund)	16,845,298	5.08%
Easygo Entertainment Pty Ltd	16,602,829	5.01%

5.12 Publicly available information

As an ASX listed company and a 'disclosing entity' under the Corporations Act, PointsBet is subject to regular reporting and disclosure obligations. Among other things, these obligations require PointsBet to announce price sensitive information to ASX as soon as PointsBet becomes aware of such information, subject to some exceptions. Pursuant to the Corporations Act, PointsBet is required to prepare and lodge with ASIC and ASX both annual and half-year financial statements accompanied by a statement and report from the PointsBet Directors and an audit or review report respectively.

Copies of the documents lodged with ASX may be obtained from the ASX website www.asx.com.au and the PointsBet website https://investors.pointsbet.com.au/company-announcements. Copies of the documents lodged with ASIC in relation to PointsBet may be obtained from, or inspected at, an ASIC office.

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6 Information about MIXI and MIXI Australia

6.1 Introduction

The information contained in this section 6 has been prepared by MIXI Australia. The information concerning MIXI Australia and its group companies, and the intentions, views and opinions contained in this section 6 have been prepared as at the date of this Scheme Booklet and are the responsibility of MIXI Australia. PointsBet and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.2 Overview of MIXI and MIXI Australia

(a) Overview of MIXI

(1) Business overview

Founded in June 1999, and headquartered in Tokyo, MIXI is a consumer technology company, with its principal business activities including the development and operation of mobile games, communication services, publicly managed sports betting services and management of professional sports teams and venues in Japan. The company comprises three key segments across Sports (which encompasses the betting and spectator sports businesses), Digital Entertainment and Lifestyle, with its Sports segment contributing ~22.4% of the net sales of MIXI in the Japanese fiscal year ended 31 March 2024.

MIXI is listed on the Prime Market of the Tokyo Stock Exchange (TYO: 2121) with a market capitalisation of approximately JPY227.83 billion (approximately A$2.48 billion)[4] as at the Last Practicable Date. MIXI and its group companies have over 1,600 permanent employees across the globe and generated approximately JPY110 billion (approximately A$1.13 billion)[5] in net sales in the 9 months to 31 December 2024.

(2) Sports segment

MIXI's Sports segment in Japan is an integrated ecosystem that includes several betting platforms for publicly managed sports, as well as velodrome operations and media platforms. As part of its betting business, MIXI manages betting ticket sales platforms (TIPSTAR and Chariloto), and operates keirin stadiums (velodromes), an important part of its value chain for content generation. While Chariloto provides a more traditional betting format, TIPSTAR delivers a unique social betting experience with a range of innovative features for users to enjoy with friends. The company is also active in online media space via netkeirin and netkeiba, which contribute to the overall user base expansion.

In Australia, MIXI provides an online sports bookmaking service licensed in the Northern Territory called "betM" through its wholly-owned subsidiary, MGB Australia Pty Ltd (ACN 645 330 230) (**MGB**). MIXI established MGB in 2020 and received approval in March 2021 for a temporary betting licence from the then Northern Territory Racing Commission. "betM" took its first bet in March 2022, and most recently in FY2024 handled approximately ~A$100 million of transaction volumes.

(3) Digital Entertainment segment

MIXI's Digital Entertainment segment is engaged in providing social games and entertainment for smart devices, with its flagship title, MONSTER STRIKE, at the core. MIXI's MONSTER STRIKE is a leading mobile game in this segment, which was launched in 2013 in Japan and has been one of the top ranked games in the country for the past decade. MIXI also provides a wide range of media and communication offerings, such as merchandise, live events, video and anime streaming, as well as partnerships with other companies and various industry participants.

(4) Lifestyle segment

MIXI's Lifestyle segment provides services and applications that enable users to expand their social network, connect with family and friends, and engage in autonomous AI-based conversations. In this segment, MIXI offers FamilyAlbum, mixi2, minimo, and Romi. MIXI continuously strives to create engaging communication services that appeal to a global user base.

(b) Overview of MIXI Australia

MIXI Australia is a wholly-owned subsidiary of MIXI, which was incorporated for the purpose of acquiring the Scheme Shares pursuant to the Transaction, and has not conducted any other business. If the Scheme becomes Effective and is implemented, MIXI Australia will acquire all of the Scheme Shares on the Implementation Date and PointsBet (including its Australian and Canadian operations) will become a subsidiary of MIXI Australia.

[4] Based on the exchange rate of 1 AUD : 91.702 JPY as at the Last Practicable Date.

[5] Based on the exchange rate of 1 AUD : 97.62 JPY as at 31 December 2024.

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6.3 MIXI's Board

(a) Board of Directors of MIXI

The MIXI board of directors has seven members, consisting of four internal directors and three outside directors. MIXI's board of directors as at the date of this Scheme Booklet is comprised of the following members:

Name	Position
Koki Kimura	President / Representative Director / CEO
Hiroyuki Osawa	Director
Tatsuma Murase	Director
Kenji Kasahara	Director / Founder
Satoshi Shima	Outside Director
Akihisa Fujita	Outside Director
Hiromi Watase	Outside Director

Koki Kimura

President / Representative Director / CEO

Koki Kimura previously worked for a variety of companies, including those in the electrical equipment and mobile content industries. He joined MIXI in 2008. He oversaw operations consulting for the Games Department and worked on several communications-based games, including “Sunshine Ranch.” Afterwards, he helped launch the MONSTER STRIKE Project. He was made a corporate officer in November 2014, appointed to the board of directors in June 2015, then became a director and corporate officer in April 2018. In June 2018, he became the president and representative director of MIXI and remained a corporate officer. In April 2020, he remained the president and representative director. In March 2021, he received a master’s degree from the Graduate School of Sport Sciences at Waseda University. In April 2022, he was made a senior corporate officer of MIXI and remained the president and representative director. In April 2023, he was made the CEO of MIXI and remained the president and representative director. He is currently the president, representative director, CEO, and a senior corporate officer of MIXI.

Hiroyuki Osawa

Director

Hiroyuki Osawa worked at a certified tax accountant office and at KBMJ Inc. (currently Appirits Inc.) before joining MIXI in June 2007. He oversaw accounting and finance for MIXI’s Finance Group, which included budgeting, management accounting, and disclosure for various projects. In November 2011, he was appointed executive director of the Accounting and Finance Department. After first serving as section chief of the Management Promotion Office, he was made managing director of the Management Department in June 2017. In April 2018, he was made a corporate officer. In June 2018, he was appointed to the board of directors as CFO and remained a corporate officer. In April 2020, he remained CFO and a director. In April 2022, he was made a senior corporate officer and remained CFO and a director. He is currently a director and a senior corporate officer of MIXI as of April 2023.

Tatsuma Murase

Director

Tatsuma Murase joined MIXI (then known as "E-Mercury") in 2005. He helped develop the social network “mixi”. After leaving the company in 2009, he worked for a variety of companies in the games industry before returning to MIXI in 2013. He mainly oversaw the development of MONSTER STRIKE. In July 2016, he was placed in charge of all XFLAG engineers as executive director of XFLAG Studio’s Game Development Division. In April 2018, he was made a corporate officer and CTO. In June 2019, he was appointed to the board of directors and remained as CTO and a corporate officer. In April 2020, he remained CTO and a director. In April 2022, he was made a senior corporate officer and remained CTO and a director. He is currently a director and a senior corporate officer of MIXI as from April 2023.

Kenji Kasahara

Director / Founder

Kenji Kasahara started a recruitment website in November 1997. In June 1999, he incorporated the company and became its representative director. His next step was to launch the social networking service “mixi” in February 2004. The company’s name was changed to “MIXI” in February 2006 and it was listed on the Tokyo Stock Exchange’s Mothers market in September of the same year. Kenji was made chairperson of the board of directors in June 2013. In April 2018, he remained as chairperson and was made a corporate officer. In June 2021, he remained a director. He is the founder of MIXI and as from April 2022, he is currently a director and senior corporate officer.

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Satoshi Shima

Outside Director

Satoshi Shima became a representative of the Tokyo Institute of Government and Management in 1994, and in 1996 was elected as a member of Japan's House of Representatives, becoming re-elected in three successive elections. In 2005, Satoshi Shima became the General Manager of the CEO Office at SoftBank Corp. (currently SoftBank Group Corp.), before subsequently acting as a Special Advisor of SoftBank Mobile Corp. (currently SoftBank Corp.) in 2014. In more recent years, he has served as an Outside Director for various companies, including Minrevi Co., Ltd., Vortex. Co., Ltd., Aucfan Co., Ltd., NEO CAREER Co., Ltd. (current), i-mobile Co., Ltd. (current), OUTSOURCING TECHNOLOGY Inc. (current), and Hanwha Solutions (current). Satoshi Shima has been an Outside Director at MIXI since June 2017.

Akihisa Fujita

Outside Director

Akihisa Fujita joined DENTSU INC. in 1991, before becoming a Senior Managing Director of Dentsu Digital Holdings, Inc. in 2010. Following this, Akihisa Fujita has held senior positions as Vice President and Representative Director of Gurunavi, Inc. in 2014, and Vice President and Director of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.) in 2017. In more recent years, he has served as President and Representative Director of SETOUCHI BRAND CORPORATION, and an Outside Director of INFOCOM CORPORATION (current), and Signpost Corporation (current). Akihisa Fujita Shima has been an Outside Director at MIXI since June 2022.

Hiromi Watase

Outside Director

Hiromi Watase joined Recruit Co., Ltd. in 1988, before establishing Alea Co., Ltd in 2011, and TRIUM PARTNERS Co., Ltd. In 2013. Following this, Hiromi Watase was a Representative Director of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.) from 2014 and became a visiting Professor at Kaishi Professional University in 2021. In more recent years, she has served as a Director and Outside Director for various companies, including Alea Co., Ltd. (current), MAXVALU NISHINIHON CO., LTD. (currently FUJI CO., LTD.) (current), Partner Agent, Inc. (currently Tameny Inc.) (current), TRIUM PARTNERS Co., Ltd. (current), The Shoko Chukin Bank, Ltd., DLE, Inc. (current), and KASUMI CO., LTD. (current). Hiromi Watase has been an Outside Director at MIXI since June 2024.

(b) Audit & Supervisory Board of MIXI

The Audit & Supervisory Board consists of three outside Audit & Supervisory Board members, which conduct audits based on MIXI's annual plan with cooperation from internal auditors and accounting auditors. MIXI's Audit & Supervisory Board as at the date of this Scheme Booklet is comprised of the following members:

Name	Position
Yuichiro Nishimura	Outside Audit & Supervisory Board Member
Nozomi Ueda	Outside Audit & Supervisory Board Member
Sumiko Takayama	Outside Audit & Supervisory Board Member

(c) Board of Directors of MIXI Australia

The MIXI Australia board of directors has two members, and as at the date of this Scheme Booklet is comprised of the following members:

Name	Position
Sho Okuyama	Director
Ryoh Kitamura	Director

Sho Okuyama

Director

After gaining experience in venture capital and startups, Sho Okuyama joined MIXI in 2016. As the head of the Investment and Business Development Department, his duties included overseeing subsidiaries management, business development, M&A, PMI and startup investment. He was appointed Corporate Officer in 2022 and Senior Corporate Officer in 2023. He is currently directly managing the TIPSTAR business as the head of the Social Betting Department since 2023. In 2024, he was appointed Director of MIXI Australia.

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Ryoh Kitamura

Director

Ryoh Kitamura joined MIXI in 2018 after working for PwC Japan. He was appointed as a manager in the CEO's Office and later became the Head of MIXI's Global Betting Business. When MIXI founded MGB in Australia in 2020, he was appointed CEO of MGB, overseeing the launch and operation of MIXI's wagering service in Australia, betM. In 2024, he was appointed Chairperson of MGB and Director of MIXI Australia.

6.4 Rationale for MIXI's proposed acquisition of PointsBet

MIXI has positioned its Sports segment as a focus area and aims to continue to expand in this sector.

MIXI's betting business in Japan has been growing steadily, with the social betting service "TIPSTAR" achieving full-year profitability.

MIXI is also committed to expanding its business overseas to achieve further growth and believes the Transaction represents a significant step towards achieving this objective for the following reasons:

a) PointsBet is a leading operator in the Australian wagering and betting market, with prominent brand recognition and strong market share, allowing MIXI to immediately establish a significant footprint in the Australian market to expand on its existing business;
b) PointsBet also has an established and rapidly growing market presence in Canada, offering online sports betting and iGaming, allowing MIXI to establish a presence in the Canadian market;
c) PointsBet has strong management teams and organisational capabilities in both Australia and Canada to support the business; and
d) PointsBet's integrated technology platform has been developed in-house providing flexibility in bringing new products to market, which will support MIXI's intended expansion of social betting capabilities in overseas markets.

6.5 Funding arrangements for the Scheme Consideration

(a) Scheme Consideration

If the Scheme is approved and implemented, MIXI Australia will pay the Scheme Consideration which equates to an aggregate amount of A$351,628,788.32, equivalent to A$1.06 per share. The Scheme Consideration will be paid wholly in cash.

(b) Funding source

The Scheme Consideration will be funded from MIXI's cash reserves.

As at 31 December 2024 (being MIXI's most recently reported balance sheet date), MIXI had over JPY100 billion (over A$1 billion)[6] of cash and deposits on its balance sheet. Implementation of the Scheme is not conditional on MIXI obtaining funding from any financier.

MIXI will provide the Scheme Consideration to MIXI Australia for payment in accordance with the Scheme, and has guaranteed MIXI Australia's obligation to pay the Scheme Consideration pursuant to the terms of the Scheme Implementation Deed and the Deed Poll entered into by MIXI and MIXI Australia in favour of the Scheme Shareholders (refer to Annexure B).

6.6 MIXI's intentions if the Scheme is implemented

Set out below are MIXI's current intentions in the event of successful implementation of the Scheme as at the date of this Scheme Booklet.

These statements of intention are based on information concerning PointsBet, its business and the general business environment that are known to MIXI as at the date of this Scheme Booklet.

MIXI does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Decisions regarding these matters will only be made by MIXI in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 6 are statements of current intention only, which may change as new information becomes available to MIXI or as circumstances change. The intentions of MIXI are the same as the intentions of MIXI Australia.

(a) Operations

On implementation of the Scheme, it is intended that PointsBet (including its Australian and Canadian operations) will become a subsidiary of MIXI Australia. MIXI does not contemplate any change of direction of PointsBet's existing business strategies in any material respect, nor does it have any plans to materially alter PointsBet's business fundamentals. MIXI intends that the combined entity will be competitive across sports, racing, and iGaming betting

[6] Based on the exchange rate of 1 AUD : 97.62 JPY as at 31 December 2024.

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products and services across Australia and Canada. It also intends that the PointsBet Business will be run as a separate division within the MIXI Group and that the PointsBet name will be retained.

Following implementation of the Scheme, MIXI intends to conduct a general review of PointsBet's strategic, financial and commercial operations to:

- evaluate performance, profitability and prospects of the PointsBet Business; and
- determine the optimum manner of operating and managing the PointsBet Business.

Based on its current understanding and evaluation of the PointsBet Business, MIXI intends that:

- the PointsBet Business in Australia and Canada will be conducted in substantially the same manner in which it currently operates as part of the larger combined group; and
- no major changes will be made to the PointsBet Business in Australia and Canada.

In view of the above, it is not MIXI's present intention to make any material operating changes if the Scheme is implemented.

(b) PointsBet to be delisted

If the Scheme is implemented, MIXI intends to arrange for PointsBet to be removed from the official list of the ASX.

(c) Board of directors

If the Scheme becomes Effective, MIXI intends to reconstitute the PointsBet Board and the board of each of PointsBet's subsidiaries with people nominated by MIXI as per the Scheme Implementation Deed. The final composition of the PointsBet Board and the board of each of PointsBet's subsidiaries after implementation of the Scheme has not been determined as at the date of this Scheme Booklet. Final decisions on the composition of the PointsBet Board and the board of each of PointsBet's subsidiaries after implementation of the Scheme will be made in light of the circumstances at the relevant time.

(d) Management and employees

MIXI recognises the experience and knowledge of PointsBet Group's senior management team.

It is MIXI's current intention to retain key executives and maintain the overall organisation, and MIXI does not currently intend that there will be any material change to PointsBet Group's management team in Australia or Canada if the Scheme is implemented.

The detailed review of PointsBet Group's operations noted in section 6.6(a) above will include specific consideration of staffing and organisational structure. Accordingly, final decisions on these matters (including any changes to the employment of the present employees of PointsBet Group Members, if necessary) will only be made by MIXI following completion of the post-acquisition review process described above, and will be based on all material facts and circumstances at the relevant time.

(e) Head office

MIXI does not intend to alter PointsBet's business bases and locations, nor does it intend to undertake any material downsizing or significant outsourcing of operations to overseas if the Scheme is implemented.

(f) Other intentions

MIXI intends to combine its experience in Japan's betting and entertainment markets with PointsBet's platform, betting expertise and international capabilities to accelerate the expansion of its social betting proposition.

6.7 MIXI's interests in PointsBet Shares

(a) Interest in PointsBet Shares

As at the date of this Scheme Booklet, none of MIXI, MIXI Australia nor any of its Associates has any relevant interest or voting power in any PointsBet Shares.

(b) Dealing in PointsBet Shares in previous four months

Apart from MIXI's offer to acquire all PointsBet Shares under the Scheme, none of MIXI, MIXI Australia nor any of its Associates has provided or agreed to provide consideration for any PointsBet Shares under any other transaction during the period of four months before the date of this Scheme Booklet.

(c) Benefits to holders of PointsBet Shares

During the four months before the date of this Scheme Booklet, none of MIXI, MIXI Australia nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- vote in favour of the Scheme; or
- dispose of PointsBet Shares,

where the benefit was not offered to all PointsBet Shareholders.

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(d) Benefits to PointsBet officers

None of MIXI, MIXI Australia nor any of their respective Associates will be making any payment or giving any benefit to any current directors, secretaries or other officers of PointsBet or their Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented. For completeness, please see section 9.1 for details of benefits which PointsBet officers may receive if the Scheme proceeds.

6.8 Publicly available information about MIXI

MIXI is listed on the Prime Market of the Tokyo Stock Exchange. MIXI is obliged to disclose information that may have a material impact on investors' investment decisions in a timely manner in accordance with the timely disclosure rules established by the Tokyo Stock Exchange. Copies of these announcements can be obtained in English free of charge from MIXI's website at https://mixi.co.jp/en/ir/news/.

MIXI's 5 largest shareholders as of 30 September 2024 were:

Name	Number of Shares	% of Total[7]
Kenji Kasahara (MIXI Director / Founder)	32,521,900	47.28
The Master Trust Bank of Japan, Ltd. (Trust account)	8,685,600	12.63
Custody Bank of Japan, Ltd. (Trust account)	1,958,500	2.85
The Bank of New York 133612	1,482,100	2.15
The Bank of New York Mellon 140051	1,413,300	2.05

6.9 Other material information

Except as otherwise disclosed in this section 6, MIXI Australia is not aware of any information regarding the MIXI Group, or MIXI Australia's intentions regarding PointsBet, that is material to the decision of a PointsBet Shareholder in relation to the Scheme, being information that is within the knowledge of any director of MIXI Australia at the date of this Scheme Booklet, which is not disclosed in this section 6 or elsewhere in this Scheme Booklet, or which has not otherwise been previously disclosed to PointsBet Shareholders.

[7] As of 30 September 2024, MIXI owns 4,946,379 shares of treasury stock which is excluded from the shareholding ratio.

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7 Risks

In considering the Scheme, PointsBet Shareholders should be aware that there are a number of risk factors, both generally and specifically relating to PointsBet and the PointsBet Business, which could have a material adverse effect on the future operating and financial performance of PointsBet and the price of PointsBet Shares.

While the PointsBet Board, in its ordinary course of business, takes appropriate steps to manage and mitigate some of these risks, these risks remain either wholly or partially outside of the control of PointsBet, the PointsBet Group and the PointsBet Directors. In deciding whether to vote in favour of the Scheme, PointsBet Shareholders should carefully read this Scheme Booklet in its entirety and consider these risks.

If the Scheme proceeds, PointsBet Shareholders will receive the Scheme Consideration of $1.06 per PointsBet Share, will cease to hold PointsBet Shares and will no longer be exposed to the risks set out in this section 7 (and other risks to which PointsBet and the PointsBet Business may be exposed). If the Scheme does not proceed, PointsBet Shareholders will retain their existing investment in PointsBet and will continue to be exposed to risks associated with this investment.

The risks set out in this section 7 do not take into account the individual investment objectives, financial situations, position or particular needs of PointsBet Shareholders. You should seek independent financial, legal, accounting, tax and/or other professional advice before making any decision in relation to your PointsBet Shares.

In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in PointsBet now or in the future. There may also be additional risks and uncertainties not currently known to PointsBet which may have a material adverse effect on PointsBet's operating and financial performance and the price and/or value of PointsBet Shares.

These risks include, but are not limited to, the following risks:

7.1 General Risks

The price of PointsBet Shares is influenced by a number of general risk factors, including:

- changes in investor sentiment and the overall performance of the Australian and international stock markets;
- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity rates, employment levels and consumer demand;
- economic and political risk factors in Australia and overseas including economic growth, recession or depression, tariffs and restrictions on international trade or operations;
- regulatory risks and changes to government policy (including fiscal, monetary, tax, employment and environmental policies), legislation or regulation, both domestically and globally;
- changes in taxation laws (or their interpretation);
- risks that contracts and other arrangements will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations; and
- natural disasters, extreme weather conditions, catastrophes, disease or pandemic and other macroeconomic occurrences, including but not limited to geopolitical events such as an outbreak of hostilities, acts of terrorism and declarations of war.

Some of these factors could affect the PointsBet Share price regardless of PointsBet's underlying operating performance.

7.2 PointsBet specific risks

Risks that are specific to PointsBet include the following:

- **Impact of rising interest rates and inflation to the business:** A number of the largest global economies are currently experiencing increasing inflation due to the effects of the novel coronavirus (COVID-19), the ongoing war in Ukraine and disruption to supply-chains. Central banks in many jurisdictions, including the Australian Reserve Bank, have been increasing interest rates in response to the rising inflation.

  There is a risk that increasing interest rates may cause a reduction in consumer spending and have a negative impact on PointsBet's operations and/or financial results.

- **The wagering and broader gambling industry is highly regulated:** The provision of wagering and iGaming services is subject to extensive laws, regulations, policies, standards and, where relevant, licence conditions (**Regulations**) in most jurisdictions. The Regulations vary from jurisdiction to jurisdiction but typically address the responsibility, financial standing and suitability of owners, directors and operators, marketing and promotional activity, the jurisdictions where an operator is permitted to undertake its business, the use of personal data, the protection of vulnerable populations and anti-money laundering laws. In most jurisdictions, compliance costs associated with Regulations are material.

  Changes to Regulations - Many of the Regulations are subject to change at any time and regulatory authorities may change their interpretation of the Regulations at any time, which may prohibit, restrict or further regulate PointsBet's operations in the future. As a general rule, regulatory authorities have a duty of procedural fairness to notify and consult with entities prior to making any material changes to Regulations, in particular licence conditions. However, any

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changes to Regulations may result in additional costs or compliance burden. Some aspects of compliance may be outside the control of PointsBet.

Breach of Regulations - Failure by PointsBet to comply with relevant Regulations may lead to penalties, sanctions, the imposition of licence conditions or ultimately the revocation of relevant operating licences and may have an impact on licences in other jurisdictions. Further, any regulatory investigations or settlements could cause PointsBet to incur substantial costs (either by way of fines and penalties or as a result of successful customer claims) or require it to change its business practices in a manner materially adverse to its business.

Regulations differ across jurisdictions - Regulations vary from jurisdiction to jurisdiction, from open regimes to licence-based regimes to complete illegality. In addition, the regulation of online wagering is subject to the determination of where online sports betting takes place and which jurisdiction has authority over the activities and participants.

PointsBet is currently operating in multiple jurisdictions. Accordingly, PointsBet will be subject to a wide range of different and at times conflicting Regulations in each jurisdiction, together with potential uncertainty around the application of laws. This is expected to place an increased burden on PointsBet and its compliance, administration and technology functions.

If PointsBet is not successful in managing this increased burden, or if PointsBet's assessment of an area of legal uncertainty is found to be incorrect, PointsBet may breach a licence condition or other applicable Regulation, which could result in penalties, sanctions, the imposition of additional conditions or ultimately the revocation of relevant operating licences or regulatory approvals.

- **PointsBet is exposed to adverse changes in product fees, levies and taxes**

  PointsBet has commercial and regulatory payment obligations in the jurisdictions in which it operates. These obligations may be owed to a particular sporting body as "product fees" (for example, horse racing conducted in an Australian jurisdiction), payable under a commercial or statutory licence, or otherwise imposed by law as a tax, levy or fee. Any adverse changes to PointsBet's commercial and regulatory payment obligations, or the imposition of new levies, taxes or other duties or charges in any of these jurisdictions could materially and adversely affect the operations, financial performance and prospects of PointsBet.

- **System disruptions and outages**

  The integrity, reliability and operational performance of PointsBet's IT systems and third-party communication networks are critical to its operations. These IT systems and communication networks may be damaged or interrupted by increases in usage, human error, systems outages and failures, cyber-attacks, natural hazards or disasters, or similarly disruptive events. PointsBet's current systems may be unable to support a significant increase in online traffic or increased customer numbers, especially during peak times or events.

  Like other wagering operators, PointsBet has experienced instances of service disruption. Any material or persistent failure or disruption of PointsBet's IT infrastructure or the telecommunications and/or other third-party infrastructure and services on which such infrastructure relies could lead to significant costs and disruptions that could reduce revenue, result in client loss, harm PointsBet's business reputation and have a material adverse effect on the operations, financial performance and prospects of PointsBet.

- **Cyber security risks**

  PointsBet's IT systems and networks, and those of its third-party service providers, may be vulnerable to cyber-attacks, unauthorised access, computer viruses and other security issues. These events could damage the integrity of PointsBet's reputation and business. Any failure by PointsBet to detect and prevent any intrusion or other security breaches, including sabotage, hackers, viruses and cyberattacks, could have a material adverse effect on the operations, financial performance and prospects of PointsBet.

- **PointsBet may require additional capital to fund its growth plans**

  PointsBet's ability to obtain additional capital, if and when required, will depend on its business plans, investor demand, the capital markets and other factors. If PointsBet is unable to obtain additional capital when required, or is unable to obtain additional capital on satisfactory terms, its ability to continue to support its business growth or to respond to business opportunities, challenges or unforeseen circumstances could be adversely affected.

- **Card payment risks**

  Some clients may have difficulty making deposits into their PointsBet account due to specific policies by card issuers and banks to not allow gambling transactions, or to restrict transactions from merchants such as PointsBet whose main business is conducted online. If clients have difficulty making deposits into their PointsBet account and are unable or unwilling to deposit funds using alternative methods, this could result in lower turnover for PointsBet.

- **PointsBet relies on third-party service providers for key business functions**

  PointsBet relies upon various third-party service providers to maintain continuous operation of its inhouse or proprietary platform, servers, hosting services, payment processing, and various other key aspects of its business including the pricing and availability of its products.

  There is a risk that these services and systems may be adversely affected by various factors such as damage, faulty or aging equipment, systems failures and outages, computer viruses, or misuse by staff or contractors. PointsBet may also have disputes with its service providers for a range of reasons, which could lead to service disruptions until the

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dispute is resolved or a new service provider is engaged. Any disruption to third-party services may result in a disruption to PointsBet's services and have a material impact on PointsBet's operations.

- **Risk of fraud**

  Wagering operators are exposed to schemes to defraud and there is a risk that PointsBet's products may be used for those purposes by its clients or employees. In these circumstances, PointsBet has a high degree of reliance on its employees.

  While PointsBet has systems in place to protect against fraudulent play and other collusion between clients and employees, these systems may not be effective in all cases. This may require PointsBet to make unanticipated additional investments in its systems and processes.

  If PointsBet suffers any fraudulent activities, PointsBet's business, performance, prospects, value, financial condition, and results of operations could be adversely affected.

- **Anti-money laundering**

  The wagering industry is exposed to schemes to launder money illegally and there is a risk that PointsBet's products may be used for those purposes by its clients or employees.

  In addition, PointsBet's activities are subject to anti-money laundering regulations and anti-corruption laws in Australia and Canada, which may increase the costs of compliance, limit or restrict PointsBet's ability to do business or subject PointsBet to civil or criminal actions or proceedings.

  For example, in Australia AUSTRAC can take enforcement action against reporting entities who don't comply with Australia's anti-money laundering and counter-terrorism financing (**AML/CTF**) legislation. These may include civil penalty orders, enforceable undertakings, infringement notices and remedial directions. Recently, AUSTRAC applied for civil penalty orders against Entain Group Pty Ltd (operator of Ladbrokes and Neds) for alleged serious and systemic non-compliance with Australia's AML/CTF laws. Previously, AUSTRAC ordered the appointment of external auditors to assess compliance of two corporate bookmakers, Sportsbet Pty Ltd (trading as SportsBet) and Hillside (Australia New Media) Pty Limited (trading as Bet365).

- **Risks relating to the misuse or loss of personal information**

  PointsBet processes personal customer data and therefore must comply with strict data protection and privacy laws in Australia and other jurisdictions. PointsBet is exposed to the risk that this data could be wrongfully accessed and/or used, whether by employees, customers or other third parties, or otherwise inadvertently lost or disclosed or processed in breach of applicable data protection regulations.

  If PointsBet or any of the third-party service providers on which it relies fails to transmit customer information and payment details online in a secure matter or if a misuse or loss of personal customer data were to occur, PointsBet and its officers could face fines or penalties. This could also give rise to reputational damage to PointsBet and its brand.

- **Inability to manage expected future growth**

  PointsBet has experienced and, while the wagering industry has contracted somewhat through the COVID-19 pandemic, expects to continue to experience rapid growth. This has, and may continue to place, significant demands on its management, operational and financial resources. As PointsBet grows, it may encounter capacity constraint issues and more resources may be required to manage growth initiatives. If PointsBet fails to successfully manage its anticipated growth and change, the quality of its products may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract customers.

- **Systems upgrades**

  As PointsBet grows and continues to develop its products and services, it may undertake major IT projects or upgrades. These upgrades may include, for example, development of an online casino platform build-out, the automation of deployment infrastructure, an overhaul of existing marketing technology architecture and toolset, as well as standard upgrades such as new product features, upgrades to operational tools and platform enhancements. During implementation of such upgrades, there is a risk that these upgrades will not integrate or operate successfully, resulting in errors or downtime of PointsBet's services. The upgrades may be incompatible with PointsBet's existing IT infrastructure, requiring a significant re-architecture or migration of older parts of its platform. Implementation of upgrades may also rely on the availability of key technical staff, who PointsBet may not be able to hire or retain in sufficient numbers to complete the desired upgrades.

- **Reliance on key personnel**

  PointsBet depends on the services of the management team as well as its technical, operational, marketing and management personnel. Competition for suitably qualified personnel, including computer programmers and developers, is intense, and PointsBet cannot provide assurance that it will be able to attract or retain highly qualified personnel in the future.

  If PointsBet is not able to retain its key employees and hire appropriate new employees, it may not be able to operate and grow its business as planned.

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- **Exchange rate fluctuations may impact earnings**

  PointsBet's financial reports are prepared in Australian dollars, however, a proportion of PointsBet's revenues, costs and cash flows are generated in Canadian dollars. The proportion of overseas revenues, costs and cash flows generated by PointsBet is expected to grow and PointsBet will be exposed to additional currencies as it enters new markets. Any adverse exchange rate fluctuations or volatility in the currencies in which PointsBet generates its revenues and cash flows, and incurs its costs, would have an adverse effect on PointsBet's future performance and position.

- **Ongoing exposure to the sale of the US Business**

  As a part of the sale of PointsBet's US Business in 2023, agreements were entered into between retained PointsBet entities and certain entities controlled by the US purchaser to allow for the efficient continuation of the Australian and US businesses after the sale of the US Business. Some of these agreements remain on foot, and contain continuing obligations for PointsBet entities, and restrictions on the use of particular services by PointsBet entities. For a summary of the agreements relating to the sale of the US Business, please refer to section 9.7.

7.3 Risks relating to the Scheme

- **Implications for PointsBet Shareholders if the Scheme is not implemented**

  If the Scheme is not implemented, PointsBet Shareholders will not receive the Scheme Consideration of $1.06 per PointsBet Share and PointsBet will continue, in the absence of a Superior Proposal, to operate as an ASX-listed entity.

  Unless PointsBet Shareholders choose to sell their PointsBet Shares on the ASX, PointsBet Shareholders will continue to hold PointsBet Shares and will be exposed to both risks (including those set out in this section 7) and potential future benefits in retaining exposure to the PointsBet Business and PointsBet's assets.

  The PointsBet Share price will also remain subject to market volatility, and may fall in the absence of a Superior Proposal.

  Please also refer to section 4.4 for further details.

- **The Scheme Implementation Deed may be terminated by PointsBet and MIXI Australia in certain circumstances, and the Scheme is also subject to various conditions**

  Each of PointsBet and MIXI has a right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in section 9.3(e).

  The Scheme is also subject to certain conditions that must be satisfied or waived (where capable of waiver) for the Scheme to be implemented. These conditions are summarised in section 9.3(a). The failure of a condition to be satisfied or waived (where capable of waiver) may also give rise to a right for either PointsBet or MIXI Australia to terminate the Scheme Implementation Deed.

  Except as otherwise set out in this Scheme Booklet, as at the date of this Scheme Booklet, PointsBet is not aware of any circumstances which would cause any outstanding condition not to be satisfied. Despite this, there is some possibility that one or more of the conditions will not be satisfied or waived (where capable of waiver) and the Scheme will not proceed. There are a number of conditions which are outside of the control of PointsBet including, but not limited to, approval of the Scheme by the PointsBet Shareholders at the Scheme Meeting and the Court. In this regard, there is also a risk that some or all of the aspects of the PointsBet Shareholder and Court approval required for the Scheme to proceed, may be delayed.

  If, for any reason, all or some of the conditions are not satisfied or waived (where capable of waiver) and the Scheme does not proceed, or otherwise if the Scheme Implementation Deed is terminated, the price of PointsBet Shares will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

- **Tax consequences for PointsBet Shareholders**

  If the Scheme is implemented, there will be tax consequences for PointsBet Shareholders which may include tax being payable. For further details regarding general Australian tax consequences of the Scheme, refer to section 8. The tax consequences may vary depending on the nature and characteristics of the PointsBet Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your circumstances.

- **Risks if the Scheme is implemented**

  If the Scheme is implemented, PointsBet Shareholders will cease to hold PointsBet Shares and will forgo any future benefits that may result from being a PointsBet Shareholder.

  This will mean that PointsBet Shareholders will not participate in the future financial and share price performance of PointsBet, retain any exposure to the PointsBet Business and PointsBet's assets, or have the opportunity to share in the value that could be generated by PointsBet in the future. However, there is no guarantee as to PointsBet's future performance, or its future share price and financial performance, as is the case with all investments.

  PointsBet Shareholders may also consider that it would be difficult to identify or invest in alternative instruments that have a similar investment profile to that of PointsBet, or may incur Transaction costs in undertaking any new investment.

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8 Tax implications

8.1 Introduction

The comments provided below are necessarily general in nature and do not purport to be a complete analysis of the potential tax consequences of the proposed Scheme. The precise implications of ownership or disposal of a PointsBet Shareholders' Scheme Shares will depend upon each PointsBet Shareholder's specific circumstances. PointsBet Shareholders should obtain, and rely upon, their own independent taxation advice about the consequences of acquiring or disposing of the shares having regard to their own specific circumstances. The taxation summary is not a substitute for obtaining advice from an appropriate professional adviser having regard to the PointsBet Shareholder's individual circumstances.

The categories of PointsBet Shareholders considered in this summary are limited to individuals, companies (other than insurance companies), trusts and complying superannuation entities that hold their Scheme Shares on capital account for Australian tax purposes. The tax comments outlined in this summary are not applicable to all PointsBet Shareholders. In particular, this summary does not consider the tax consequences for entities who:

- hold their Scheme Shares as a revenue asset (i.e. trading entities or entities who acquired their Scheme Shares for the purposes of resale at a profit) or as trading stock;
- hold or are entitled to acquire, either alone or together with associates, 10% or more of the Scheme Shares;
- are partnerships or individuals who are partners of such partnerships;
- are Australian tax residents and who hold their Scheme Shares as an asset in a business that is carried on at or through a permanent establishment outside of Australia;
- acquired their Scheme Shares under or in connection with an employee share plan and/or other employee incentive arrangements;
- obtained roll-over relief in connection with the acquisition of their Scheme Shares or acquired them via inheritance or gift;
- are not Australian tax residents and who hold their Scheme Shares in the course of carrying on a business at or through a permanent establishment in Australia;
- may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, certain trusts (except where expressly stated), superannuation funds (except where expressly stated), dealers in securities and/or PointsBet Shareholders that may be entitled to early stage investor tax incentives in relation to their Scheme Shares;
- are subject to the Taxation of Financial Arrangements provisions contained in Division 230 of the *Income Tax Assessment Act 1997* (**ITAA 1997**) in relation to gains and losses on their Scheme Shares;
- are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their Scheme Shares;
- are 'temporary residents' as that term is defined in section 995-1(1) of the ITAA 1997;
- have changed their tax residence whilst holding Scheme Shares; or
- are under a legal disability.

PointsBet Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law. Such PointsBet Shareholders should also seek independent tax and legal advice in respect of this Scheme.

This summary does not take into account the tax law of countries other than Australia. Nor does it cover any potential application of the Australian controlled foreign company (**CFC**) provisions to PointsBet Shareholders.

Our comments are based on the Australian tax law and our understanding of the practice of the tax authorities as at the time of issue of this document. The laws are complex and subject to change periodically as is the interpretation by the courts and the tax authorities. We have not sought to have our opinion ruled upon by the Australian Taxation Office (**ATO**) and therefore there is a risk that the ATO may not agree with our opinion or aspects of it.

8.2 Australian resident shareholders

This section applies to PointsBet Shareholders who are residents of Australia for Australian income tax purposes.

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(a) Capital Gains Tax (CGT)

Under the Scheme, PointsBet Shareholders will dispose of their Scheme Shares to MIXI Australia in exchange for cash consideration.

The disposal of the Scheme Shares to MIXI Australia under the Scheme will give rise to a CGT event for PointsBet Shareholders. The time of the CGT event for the PointsBet Shareholders should be the date the Scheme Shares are disposed of under the Scheme, being the Implementation Date.

The following tax consequences are expected to arise for the PointsBet Shareholders:

i. a capital gain will be realised to the extent the capital proceeds received by the PointsBet Shareholder from the disposal of their Scheme Shares exceed the cost base of those shares; or

ii. a capital loss will be realised to the extent the capital proceeds received by the PointsBet Shareholder from the disposal of their Scheme Shares are less than the reduced cost base of those shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years. Specific loss recoupment rules apply to companies and trusts which must be satisfied if capital losses are to be used in future years. PointsBet Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Capital proceeds received by PointsBet Shareholders

The capital proceeds on disposal of the Scheme Shares should be $1.06 per share, being the amount of the Scheme Consideration.

(c) Cost base and reduced cost base of a Scheme Share

The cost base of a Scheme Share will generally be equal to the cost of acquiring that Scheme Share, plus certain incidental costs of acquisition and disposal, such as brokerage fees.

The reduced cost base of a Scheme Share is determined in a manner similar to the cost base, although some differences in the calculation of the reduced cost base do exist depending on the PointsBet Shareholder's individual circumstances. The cost base and reduced cost base of each Scheme Share will depend on the individual circumstances of each PointsBet Shareholder.

(d) CGT discount

The CGT discount may apply to PointsBet Shareholders that are individuals, complying superannuation entities or trusts, who have held, or are taken to have held, their Scheme Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Scheme Shares to MIXI Australia. The CGT discount is:

i. 50% if the PointsBet Shareholder is an individual or a trustee of a trust (other than a complying superannuation entity); meaning only 50% of the capital gain will be included in assessable income; and

ii. 33 ⅓% if the PointsBet Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income.

The CGT discount is not available to PointsBet Shareholders that are companies or PointsBet Shareholders who have held their Scheme Shares for less than 12 months.

If a PointsBet Shareholder makes a discounted capital gain, any current year and/or carried forward capital losses may be applied to reduce the gross capital gain before the relevant CGT discount is applied (subject to the satisfaction of the relevant loss recoupment rules). The resulting amount is then included in the PointsBet Shareholder's net capital gain for the income year and included in assessable income.

The CGT discount rules relating to trusts are complex. We recommend trustees seek their own independent advice on how the CGT discount applies to them and the trust's beneficiaries.

(e) Foreign Tax Resident Shareholders

This section applies to PointsBet Shareholders that are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents).

Foreign tax resident PointsBet Shareholders who hold their Scheme Shares on capital account should not be subject to the CGT rules in Australia on the disposal of their Scheme Shares if they and their associates hold, or are entitled to acquire, less than 10% of the Scheme Shares (i.e. they do not hold, nor are entitled to acquire, a 'non-portfolio interest' in the Scheme Shares) or less than 50% of the value of the Scheme Shares are not principally derived from "Australian real property" (referred to as a 'principal asset' test).

Foreign PointsBet Shareholders should seek independent professional advice in relation to their own particular circumstances, including in respect of taxation in the jurisdiction where they are resident.

(f) Foreign Resident CGT Withholding Rules

Under Australia's foreign resident capital gains withholding regime, MIXI Australia may have an obligation to withhold an amount equal to 15% of the Scheme Consideration for relevant PointsBet Shareholders (**FRCGW Amount**) and remit that to the ATO. This withholding requirement can apply to transactions involving the acquisition of certain indirect interests in Australian real property from relevant non-residents.

Broadly, a non-resident PointsBet Shareholder's interest in PointsBet would constitute an 'indirect Australian real property interest' if their interest was both a 'non-portfolio interest' and the 'principal asset' test was passed (as outlined in section 8.2(e) above).

MIXI Australia, in co-operation with PointsBet, may seek to clarify the status of particular PointsBet Shareholders and require these PointsBet Shareholders to provide MIXI Australia with:

1. a Declaration that they are an Australian tax resident or that their Scheme Shares are not an "indirect Australian real property interest" (**Declaration Form**); or
2. a notice of variation granted by the ATO varying the amount or rate of tax to be withheld (**Variation Notice**).

PointsBet Shareholders who are asked to complete a Declaration Form must return their signed Declaration Form, declaring that they are and will be an Australian tax resident at the time of implementation of the Scheme or that the Scheme Shares they hold are not 'indirect Australian real property interests' by the date specified in the correspondence included with the Declaration Form. PointsBet Shareholders who are asked to complete a Declaration Form may choose to instead return a Variation Notice to Mixi Australia.

Unless a signed Declaration Form or Variation Notice is provided to MIXI Australia for these PointsBet Shareholders, MIXI Australia may withhold the FRCGW Amount from the Scheme Consideration payable to the PointsBet Shareholder and remit this amount to the Commissioner of Taxation. It is noted that the FRCGW Amount is not a final tax and may be credited against the actual tax liability of a foreign tax resident PointsBet Shareholder. Any Scheme Consideration amounts payable to the PointsBet Shareholder will not be increased to reflect the deduction and the amount payable to the PointsBet Shareholder will be taken to be in full and final satisfaction of the amounts owing to the PointsBet Shareholders.

It is noted that PointsBet has determined that, currently and up to the Implementation Date, it is not expected that more than 50% of the market value of PointsBet's assets is attributable to direct or indirect interests in "taxable Australian real property" and as such, the Scheme Shares should not be considered to be "indirect Australian real property interests" for Australian tax purposes.

(g) Goods and Services Tax (GST)

No goods and services Tax (**GST**) should be payable by PointsBet Shareholders on the acquisition by MIXI Australia of their Scheme Shares under the Scheme.

PointsBet Shareholders who are registered for GST may not be entitled to input tax credits (or only entitled to reduced input tax credits) for any GST incurred on costs associated with the disposal of their Scheme Shares.

(h) Stamp Duty

No Australian stamp duty should be payable by the PointsBet Shareholders on the disposal of their Scheme Shares.

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9 Additional information

9.1 Interests of PointsBet Directors in PointsBet

As at the date of this Scheme Booklet, the number of PointsBet securities held by or on behalf of the PointsBet Directors is as follows:

Director	Shares	Options	Performance Share Rights	% ownership of PointsBet Director securities on a fully diluted basis
Brett Paton	15,693,105	Nil	Nil	4.49%
Sam Swanell	8,379,402	Nil	1,647,411	2.87%
Peter McCluskey	564,395	Nil	Nil	0.16%
Tony Symons	971,150	Nil	Nil	0.27%
Becky Harris	29,020	Nil	Nil	0.008%
Kosha Gada	4,735	Nil	Nil	0.0014%
Manjit Gombra-Singh	1,143,279	100,000	Nil	0.357%
William Grounds	50,000	Nil	Nil	0.014%
TOTAL	**26,835,086**	**100,000**	**1,647,411**	**8.19%**

When considering the recommendation of the PointsBet Directors, you should note that Mr Sam Swanell (PointsBet Group CEO and Managing Director) will be receiving benefits if the Scheme proceeds. This comprises the early vesting of 1,647,411 Performance Share Rights pertaining to Sam Swanell (representing an aggregate amount of $1,746,255.66, less any applicable withholding tax and superannuation, on cash settlement of the vested Performance Share Rights), in accordance with the KEEP rules and pursuant to the Scheme Implementation Deed, which is outlined in further detail in section 9.5 below.

Importantly, PointsBet Shareholders will not be disadvantaged by the proposed treatment of the Performance Share Rights. PointsBet Shareholders will receive A$1.06 per PointsBet share as consideration under the Scheme. The effect of the acceleration of the Performance Share Rights is that the Performance Share Rights will effectively be extinguished for cash consideration to be paid for by PointsBet that is equal to the consideration per PointsBet share that PointsBet Shareholders will receive from MIXI Australia under the Scheme. PointsBet Shareholders will also not be disadvantaged by the cash settlement of the Performance Share Rights as there is no dilution to their interests and because MIXI Australia will effectively be paying for the cash settlement of the Performance Share Rights following completion of the Scheme.

All Options on issue in PointsBet will either lapse or be cancelled for no consideration in accordance with the ESOP rules and pursuant to the Scheme Implementation Deed, which is outlined in further detail in section 9.4 below.

Other than the exercise of 354,077 Options into PointsBet Shares by Mr Gombra-Singh on 14 January 2025, no PointsBet Director has acquired or disposed of a Relevant Interest in any PointsBet securities in the four-month period ending on the Last Practicable Date.

The % ownership of PointsBet Director securities is calculated on a fully diluted basis in the column in the table above. The fully diluted basis calculation includes all PointsBet Shares, Options and Performance Share Rights on issue.

9.2 Interests of PointsBet Directors in MIXI or MIXI Australia

No PointsBet Director has a Relevant Interest in any shares in MIXI or MIXI Australia.

No PointsBet Director has acquired or disposed of a Relevant Interest in any shares in MIXI or MIXI Australia in the four-month period ending on the Last Practicable Date.

9.3 Summary of Scheme Implementation Deed

On 25 February 2025, PointsBet, MIXI and MIXI Australia entered into a Scheme Implementation Deed under which PointsBet agreed to propose the Scheme to PointsBet Shareholders. The Scheme Implementation Deed contains terms and conditions

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that are customary for these types of agreements, including in relation to the parties' obligations to implement the Scheme and PointsBet's obligation to conduct its business in the ordinary course during the Scheme process.

A summary of the key provisions of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was lodged with ASX on 26 February 2025 and can be obtained from the ASX website www.asx.com.au or the PointsBet website https://investors.pointsbet.com.au/company-announcements.

(a) Conditions

Implementation of the Scheme is subject to the following conditions that must be satisfied or waived (where capable of waiver) before the Scheme can be implemented.

- **Restraints:** no restraining order, injunction or other order that would prevent, restrain or prohibit the Scheme from becoming Effective made by a court of competent jurisdiction is in effect at 8.00 am (Melbourne time) on the Second Court Date;
- **Court approval:** the Court approves the Scheme;
- **Shareholder approval:** PointsBet Shareholders (other than an Excluded Shareholder) approve the Scheme;
- **No Prescribed Occurrence:** no Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am (Melbourne time) on the Second Court Date;
- **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of PointsBet Shareholders and does not formally change its conclusion or withdraw its Independent Expert's Report before 8.00am (Melbourne time) on the Second Court Date;
- **FIRB approval:** FIRB approval (which has been applied for) be obtained before 5.00pm (Melbourne time) on the Business Day before the Second Court Date;
- **NTRWC approval:** PointsBet receives written approval from the Northern Territory Racing and Wagering Commission (NTRWC) in relation to the Scheme and changes to shareholders, associates, directors, officers and any other relevant persons affected by it, where such approval must be unconditional or on terms reasonably acceptable to MIXI Australia, before 5.00pm (Melbourne time) on the Business Day before the Second Court Date. The NTRWC considered this at the Commission meeting on 6 March 2025. Written approval for the Scheme and a number of the changes affected by it was received on 24 March 2025 (with other changes being approved subject to the completion of standard probity assessments);
- **Ontario approval:** PointsBet and MIXI Australia giving notice to the Alcohol and Gaming Commission of Ontario (AGCO) and iGaming Ontario (IGO) in relation to the Scheme and AGCO and IGO providing written approvals to the changes effected by the Scheme, where such approval must be unconditional or on terms reasonably acceptable to MIXI Australia, before 5.00pm (Melbourne time) on the Business Day before the Second Court Date;
- **No Material Adverse Change:** no Material Adverse Change occurs between (and including) the date of the Scheme Implementation Deed and 8.00am (Melbourne time) on the Second Court Date;
- **PointsBet representations and warranties:** the representations and warranties given by PointsBet under clause 9.1 of the Scheme Implementation Deed are true and correct in all material respects as at the time they are given or made on the date of the Scheme Implementation Deed, the date of this Scheme Booklet, the date the Scheme Meeting is held and the Second Court Date; and
- **Options and Performance Rights Shares:** as at 8:00 am (Melbourne time) on the Second Court Date, PointsBet has taken all actions necessary to extinguish each of the Options and Performance Share Rights in the manner contemplated by and in accordance with clause 6 of the Scheme Implementation Deed , such that no Options or Performance Share Rights will be in existence on the Scheme Record Date – please refer to section 9.4 and section 9.5 for further details on the proposed treatment of the Options and Performance Share Rights, respectively, under the Scheme.

Full details of the conditions and the ability of PointsBet and MIXI Australia to rely on the various conditions, and the provisions relating to satisfaction or waiver of these conditions, are set out in full in clause 3 of the Scheme Implementation Deed.

On 29 April 2025, Betr advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal. In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme.

As at the date of this Scheme Booklet, PointsBet is not aware of any other reasons why the conditions will not be satisfied.

(b) Exclusivity

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of MIXI Australia. These arrangements are in line with market practice in this regard and may be summarised as follows:

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- **No existing discussions:** PointsBet represents and warrants to MIXI Australia that, as at the date of the Scheme Implementation Deed, neither it, nor any of its representatives, are a party to any agreements, arrangements or understandings with any third parties for the purpose of facilitating a Competing Proposal, and that PointsBet has requested in writing the return or destruction of any confidential information relating to PointsBet provided to any third party for this purpose in the six months prior to 25 February 2025.

- **No-shop:** PointsBet must not solicit, invite, encourage or initiate any Competing Proposal, or any enquiries, discussions, negotiations or proposals, including entering into any deed, agreement, arrangement or understanding in relation to, or which may reasonably be expected to lead to, a Competing Proposal or communicate to any person an intention to do any of those things.

- **No-talk and no due diligence:** PointsBet must not facilitate, continue or participate in any discussions or negotiations, disclose, provide or make available any information (including by way of providing information and access to perform due diligence), negotiate, accept or enter into any agreement, arrangement or understanding, or communicate any intention to do any of those things, in relation to, or which may reasonably be expected to encourage or lead to, an actual, proposed or potential Competing Proposal.

  However, PointsBet is not required to comply with its obligations under the 'No-talk and no due diligence' provisions in the Scheme Implementation Deed in relation to an actual, proposed or potential Competing Proposal where the PointsBet Board, acting in good faith, has determined:

  (1) after consultation with its legal and financial advisers, that the Competing Proposal could reasonably be expected to lead to a Superior Proposal; and

  (2) after receiving written advice from its external legal advisers, that not undertaking that act would, or would be reasonably likely to, involve a breach of the fiduciary or statutory duties owed by any PointsBet Board Member or would otherwise be unlawful, provided that the actual, proposed or potential Competing Proposal was not directly or indirectly caused by, or facilitated by, a breach of its obligations under the 'No existing discussions', 'No-shop' and 'No-talk and no due diligence' provisions.

- **Notification:** If PointsBet becomes aware of any negotiations, discussions or other communications or approach in relation to, or that may reasonably be excepted to lead to, an actual, proposed or potential Competing Proposal, or any provision of any information relating to PointsBet, its business or operations to any person in connection with an actual, proposed or potential Competing Proposal, PointsBet must notify MIXI Australia promptly (and, in any event, within one Business Day). Such notice must include reasonable details of the actual, proposed or potential Competing Proposal, including the material terms and conditions and the identity of the party or parties making the actual, proposed or potential Competing Proposal.

- **Matching right:** PointsBet is prohibited from entering into any legally binding agreement, arrangement or understanding to implement or give effect to a Competing Proposal, and must procure that none of the PointsBet Directors change their recommendation, publicly recommends a Competing Proposal or makes any public statement to the effect that they may do so at a future point, unless:

  (1) the PointsBet Board, acting in good faith and in order to satisfy what the PointsBet Directors consider to be their statutory or fiduciary duties (having received written legal advice from its external legal advisers) determines that the Competing Proposal would be a Superior Proposal;

  (2) PointsBet has provided MIXI Australia with written notification of the material terms and conditions of the Competing Proposal (including the price, form of consideration, conditions, proposed deal protection arrangements, any break or reimbursement fee, proposed timing, conditions precedent and the identity of the party making the Competing Proposal);

  (3) MIXI Australia has been given at least five Business Days to provide a matching or Superior Proposal to the terms of the relevant Competing Proposal on terms which MIXI Australia considers in good faith to be no less favourable to the relevant Competing Proposal on an overall basis (**MIXI Counter Proposal**); and

  (4) MIXI Australia has not announced or formally proposed to PointsBet a MIXI Counter Proposal by the expiry of the relevant five Business Day period.

These exclusivity arrangements are set out in full in clause 13 of the Scheme Implementation Deed.

(c) Break Fee

PointsBet has agreed to pay MIXI Australia a cash break fee of A$3,516,288 (**Break Fee**) in certain circumstances. Those circumstances include:

- **Change of recommendation or recommendation of a Competing Proposal:** any member of the PointsBet Board withdraws, adversely changes, modifies, qualifies or revises their recommendation that PointsBet Shareholders (other than an Excluded Shareholder) vote in favour of the Scheme, or makes a public statement supporting, endorsing or recommending a Competing Proposal or to the effect that they no longer support the Scheme, other than as a result of:

  (1) the Independent Expert opining that the Scheme is not in the best interests of PointsBet Shareholders (other than where the reason for that opinion is a Competing Proposal);

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(2) as a result of a court or Government Agency requiring or requesting that he or she abstains from making a recommendation due to a conflict of interest or duty;

(3) as a result of any matter or thing giving PointsBet the right to terminate the Scheme Implementation Deed; or

(4) a failure of the conditions precedent relating to 'Restraints', 'Court approval' or 'Shareholder approval' as set out in section 9.3(a) above.

- **Change of control of PointsBet**: a Competing Proposal of any kind is announced or made during the Exclusivity Period and, within 12 months of the date of such announcement, the person or persons announcing or making the Competing Proposal or an Associate of any such persons:

  (1) completes a Competing Proposal of a kind referred to in any of paragraphs (b), (c) or (d) of the definition of Competing Proposal in the Scheme Implementation Deed;

  (2) acquires a Relevant Interest in, becomes the holder of, or otherwise acquires, directly or indirectly, 50% or more of PointsBet Shares, and that acquisition is unconditional and free of defeating conditions;

  (3) acquires or becomes the holder of, or otherwise, acquires an economic interest in all or a substantial part of the business carried on by the PointsBet Group;

  (4) acquires control (as determined in accordance with section 50AA of the Corporations Act) of PointsBet; or

  (5) otherwise acquires or merges with PointsBet.

- **Material breach**: MIXI Australia terminates the Scheme Implementation Deed due to a material breach of the Scheme Implementation Deed by PointsBet, and the breach not being remedied by PointsBet to MIXI Australia's reasonable satisfaction within 10 Business Days of notice being given, except to the extent that, prior to such termination, MIXI Australia was in breach of any of its obligations, commitments or undertakings under the Scheme Implementation Deed.

The PointsBet Directors consider the Break Fee is reasonable and appropriate in amount, structure and effect. The Break Fee is not payable if the Scheme does not proceed merely because PointsBet Shareholders do not vote in favour of the Scheme in sufficient numbers to satisfy the relevant legal requirements.

For full details of the Break Fee, see clause 14 of the Scheme Implementation Deed.

(d) Reverse Break Fee

MIXI Australia has agreed to pay PointsBet a cash break fee (**Reverse Break Fee**) of the lesser of:

(1) an amount equal to all third-party expenses and advisory costs actually incurred by PointsBet; and

(2) the sum of A$2,500,000,

in recognition of the costs incurred by PointsBet (including significant opportunity costs), if the Scheme is subsequently not implemented.

The Reverse Break Fee is payable where PointsBet terminates the Scheme Implementation Deed due to a material breach of the Scheme Implementation Deed by MIXI Australia, and the breach not being remedied by MIXI Australia to PointsBet's reasonable satisfaction within 10 Business Days of notice being given, except to the extent that, prior to such termination, PointsBet was in breach of any of its obligations, commitments or undertakings under the Scheme Implementation Deed.

For full details of the Reverse Break Fee, see clause 15 of the Scheme Implementation Deed.

(e) Termination

PointsBet can terminate the Scheme Implementation Deed in the event of:

- a material breach of the Scheme Implementation Deed by MIXI Australia, and that breach is not remedied by MIXI Australia to PointsBet's reasonable satisfaction within 10 Business Days of notice being given; or
- any PointsBet Board Member changes, withdraws or adversely revises or modifies their recommendation that PointsBet Shareholders vote in favour of the Scheme, or recommend a Competing Proposal, in each case as permitted to do so under the Scheme Implementation Deed.

MIXI Australia can terminate the Scheme Implementation Deed in the event of:

- a material breach of the Scheme Implementation Deed by PointsBet, and that breach is not remedied by PointsBet to MIXI Australia's reasonable satisfaction within 10 Business Days of notice being given;
- any PointsBet Board Member fails to recommend the Scheme, withdraws, adversely changes, revises, qualifies or modifies his or her recommendation that PointsBet Shareholders vote in favour of the Scheme, or makes a public statement indicating they no longer recommend the Scheme or recommend a Competing Proposal, whether or not permitted to do so under the Scheme Implementation Deed (other than where any PointsBet

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Board Member is required by a court of competent jurisdiction or the Takeovers Panel to abstain or withdraw from making a recommendation that PointsBet Shareholders vote in favour of the Scheme); or

- where PointsBet enters into a definitive agreement to implement a Competing Proposal.

For full details of the termination rights, see clause 16 of the Scheme Implementation Deed.

9.4 Options

As at the date of this Scheme Booklet, PointsBet has 933,334 Options on issue with various exercise prices and expiry dates. These Options will either lapse or be cancelled for no consideration in accordance with the PointsBet Employee Share Option Plan (**ESOP**) and pursuant to the Scheme Implementation Deed by no later than the Scheme Record Date, which is currently expected to be Wednesday, 18 June 2025.

Pursuant to Listing Rule 6.23.1, a change which has the effect of cancelling an option for no consideration can be made without obtaining shareholder approval. The Options that do not lapse will be cancelled for no consideration.

9.5 Performance Share Rights

As at the date of this Scheme Booklet, PointsBet has 16,079,446 Performance Share Rights on issue, which were issued to executives and employees of PointsBet under its Key Employee Equity Plan (**KEEP**).

(a) KEEP Rules

The terms of the KEEP were disclosed in the KEEP rules approved by PointsBet Shareholders at its annual general meetings held on 17 November 2020 and 28 November 2023 (and the terms are available at: https://investors.pointsbet.com.au/corporate-governance).

The KEEP is an employee incentive scheme under which PointsBet may grant to eligible employees (including executive directors) securities, including Performance Share Rights, Options and restricted shares. Performance Share Rights offered under the KEEP are an entitlement to receive fully paid ordinary shares in PointsBet upon satisfaction of vesting or performance conditions determined by the PointsBet Board for no cash consideration. The Performance Share Rights held by the directors of PointsBet are outlined in section 9.1 above.

All Performance Share Rights on issue are subject to time and/or service based conditions, and none have vested (with the earliest date on which the rights will be capable of vesting being 1 July 2025).

Under the terms of the KEEP:

- if there is a transaction that is likely to result in a 'Change of Control Event' (as that term is defined in the KEEP), the PointsBet Board may in its absolute discretion determine that all or a specified number of a holder's Performance Share Rights vest or cease to be subject to restrictions (as applicable);
- where there is an actual change in the 'Control' (as that term is defined in s 50AA of the *Corporations Act 2001* (Cth)) of PointsBet then, unless the PointsBet Board determines otherwise, all unvested Performance Share Rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed; and
- if only some of a holder's unvested Performance Share Rights will vest by an exercise of the PointsBet Board's discretion referred to above, all Performance Share Rights that remain unvested will lapse, unless the PointsBet Board determines otherwise.

Furthermore, pursuant to the KEEP, the PointsBet Board may exercise its discretion to determine that the vesting of a Performance Share Right will be satisfied by PointsBet making a cash payment in lieu of an allocation of shares.

(b) Treatment of Performance Share Rights

It is a material term of the Scheme Implementation Deed that, subject to PointsBet Shareholders approving the Scheme, PointsBet will:

- accelerate the vesting of, waive any vesting conditions or vesting periods applying to, or otherwise cancel, all Performance Share Rights on issue; and
- make a cash payment to each holder of the vested or cancelled Performance Share Rights in lieu of an allocation of PointsBet shares in the amount of A$1.06 (less any applicable withholding tax and superannuation) per Performance Share Right (being the same as the Scheme Consideration payable per PointsBet Share) held by each holder of a Performance Share Right by no later than the Scheme Record Date, which is currently expected to be Wednesday, 18 June 2025.

Pursuant to the terms of the Scheme Implementation Deed, if the approval of the PointsBet shareholders is obtained in respect of the Scheme, the PointsBet Board proposes to exercise its general discretion to accelerate the vesting of or waive all vesting conditions or periods attaching to all 16,079,446 Performance Share Rights and settle the vested Performance Share Rights by cash payment (in lieu of an allocation of PointsBet Shares).

If the approval of the PointsBet Shareholders is not obtained, the PointsBet Board will not exercise its discretion to accelerate or waive the vesting conditions or periods, and the Performance Share Rights will not vest. In these

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circumstances, the Scheme will not be implemented (as the Scheme is conditional on, among other things, the requisite majorities of PointsBet Shareholders approving the Scheme).

9.6 Benefits and agreements

(a) Benefits in connection with retirement from office

There is no payment or other benefit that is proposed to be made or given to any PointsBet Director or secretary or officer of PointsBet (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in PointsBet (or any of its Related Bodies Corporate) in connection with the Scheme.

(b) Agreements connected with or conditional on the Scheme

Other than as set out in section 9.1, there are no agreements or arrangements made between any PointsBet Director and any other person in connection with, or conditional on, the outcome of the Scheme.

(c) Interests of PointsBet Directors in contracts with MIXI and MIXI Australia

As at the date of this Scheme Booklet, no PointsBet Director has:

- a Relevant Interest in any securities in MIXI or MIXI Australia; or
- acquired or disposed of a Relevant Interest in any securities in MIXI or MIXI Australia during the four months before the date of this Scheme Booklet.

(d) Deeds of access, indemnity and insurance

PointsBet has entered into deeds of access, indemnity and insurance with the PointsBet Directors and various officers of the PointsBet Group, on customary terms. They include terms that provide for PointsBet to indemnify each of its PointsBet Directors and officers against any liability incurred by such persons in their capacity as a PointsBet Director or officer of a member of the PointsBet Group to any person other than a member of the PointsBet Group.

PointsBet also pays premiums in respect of a directors' and officers' insurance policy for the benefit of the PointsBet Directors and officers of the PointsBet Group. In accordance with the Scheme Implementation Deed, PointsBet must enter into an arrangement to provide run-off insurance coverage for all current directors and officers and former directors and officers of any member of the PointsBet Group that applies for a seven year period from the retirement date of each director and officer. The entry into such arrangements by PointsBet is permitted under clauses 5.14 to 5.17 of the Scheme Implementation Deed.

9.7 Sale of US Business

A summary of the agreements relating to the sale of the US Business (and key ongoing obligations) are as follows:

- a **Brand License Deed** between PointsBet Pty Limited and FBG Enterprises Opco, LLC (**FBG**). Under this deed, PointsBet licenses the use of specified trade marks, other brand-related intellectual property and domain names to FBG. PointsBet agreed to grant a licence for the trade marks and domains (to be used in the US (and in Ireland and India as it relates to the US Business)) for a period of 12 months following completion of the sale of the US Business (noting that this period and the licence period for other brand-related IP has now expired). Under this deed, as the licensor, PointsBet must also not use (or allow any third parties to use) the licensed intellectual property in the US for up to 18 months following the completion of the sale of the US Business. The deed also contains standard indemnities, representations and warranties given by PointsBet in favour of FBG.
- a **Technology Licence Deed** between PointsBet Pty Limited and PointsBet USA Inc. (**PointsBet USA**). Under this deed, PointsBet provides a copy of certain technology used for online sports betting (the iGaming and Advanced Deposit Wagering platform and its associated infrastructure) and licenses patents and associated intellectual property rights to PointsBet USA. Unlike the Brand License Deed, there is no fixed licence period – the licence continues until the Technology Licence Deed is terminated. Subject to terms of the agreement for the sale of the US Business, the Deed includes an obligation on PointsBet to secure the necessary inputs for the use of licensed patents and intellectual property rights (including where these inputs may be through a third party). PointsBet was also required, for a period of 12 months following the completion of the sale of the US Business, to notify PointsBet USA of any known material errors, security vulnerabilities or malware that exists with the licensed technology (noting this period has now expired). The Technology Licence Deed also contains standard indemnities agreed to by PointsBet for the benefit of PointsBet USA. This includes an indemnity to hold harmless PointsBet USA (under specified conditions) for any third party infringement claim in relation to the licensed technology, with the indemnity lasting 12 months post completion of the sale of the US Business (noting this period has now expired).
- a **Sports Betting Services Agreement** between PointsBet Pty Ltd and Banach Technology Limited (**Banach**). Under this agreement, Banach (an entity sold as a part of the US Business) where requested by PointsBet, will supply technology services (odds feeds) to assist the operation of betting platforms to PointsBet (noting that as at the date of this Scheme Booklet, PointsBet has not made such a request). The Sports Betting Services Agreement also provides PointsBet a licence to use certain technology products (and developments thereto) for its business-to-consumer services (noting that use for business-to-business services is expressly excluded). The Sports Betting Services Agreement has an intended term of three years following the completion of the sale

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of the US Business, and may be extended for successive periods of 12 months if agreed by both parties. The agreement provides that PointsBet may not use or make available the licensed products to any entity, product or service for use in the US. The agreement also stipulates particular security measures that must be taken by PointsBet to protect the licensed products and data derived from them. Furthermore, the agreement contains warranties (including warranties regarding PointsBet's use of the services, products and derived data) and certain indemnities for the benefit of Banach.

- a **Technology Licence Deed** between PointsBet Pty Ltd and Banach. Under this deed, Banach provides PointsBet a copy of technology to be used for the calculation of wagering odds and bet settlements, and a perpetual, royalty free licence to the associated intellectual property. This technology and licensed IP may only be used for PointsBet's business-to-customer services (and expressly not for any business-to-business product or service). A condition of the licence is that PointsBet is not entitled to grant a sublicence to any competitor of Banach (unless they are a related body corporate of PointsBet) and no sublicensee can further sub-license without the written consent of Banach (unless the sublicensee is a related body corporate of PointsBet). Under the Technology Licence Deed, PointsBet also agrees to indemnify and hold harmless Banach for specified events.

9.8 Betr Proposal

Shareholders may also be aware that, on 18 February 2025, PointsBet received a confidential, non-binding, indicative proposal from Betr (being the **Betr Proposal**).

As announced by PointsBet in a letter to shareholders on 3 April 2025, the PointsBet Board considered the Betr Proposal, and with the input of advice from PointsBet's financial and legal advisers, the PointsBet Board determined at that time that the Betr Proposal could not reasonably be expected to lead to a Superior Proposal relative to the Scheme having regard to a number of factors, including that the Betr Proposal could not be reasonably characterised as fully funded.

On 29 April 2025, PointsBet received a further confidential, non-binding, indicative proposal from Betr, details of which were announced by Betr on 29 April 2025 (being the **Betr Revised Proposal**). On 29 April 2025, Betr also advised PointsBet (and the market) that it had acquired a 19.9% interest in PointsBet and that it intends to vote all of its shares against the current MIXI proposal. In the event that Betr continues to hold a 19.9% interest in PointsBet at the time of the Scheme Meeting and it votes against the Scheme, this may result in the Scheme not becoming Effective due to the requisite majorities of PointsBet Shareholders not approving the Scheme.

The PointsBet Board is in the process of evaluating, with the assistance of its financial and legal advisers, whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal.

The Betr Revised Proposal remains indicative and non-binding and is subject to due diligence, and there is no guarantee it will result in a binding proposal.

Accordingly, in compliance with its contractual obligations under the Scheme Implementation Deed with MIXI and MIXI Australia, PointsBet considers that it is in the best interests of PointsBet Shareholders to proceed with the steps required for implementation of the proposed transaction with MIXI, while concurrently assessing whether the Betr Revised Proposal could reasonably be expected to lead to a Superior Proposal.

PointsBet will keep PointsBet Shareholders updated in relation to the Betr Revised Proposal and its implications for the proposed transaction with MIXI, including any change of recommendation (if there is to be any), via the ASX Market Announcements Platform.

Since the announcement of the Scheme on 26 February 2025 and up to the date of this Scheme Booklet, no Competing Proposal has emerged that the PointsBet Board has determined to be a Superior Proposal.

The relevant process and considerations for the PointsBet Board in the event of any further Competing Proposals are outlined in section 9.3.

9.9 Consents and disclosures

(a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- MIXI Australia in respect of the MIXI Information only;
- PwC as the tax advisor to PointsBet; and
- Grant Samuel & Associates Pty Limited as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Flagstaff Partners Pty Ltd as financial adviser to PointsBet;

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- Baker McKenzie as legal adviser to PointsBet; and
- Computershare Investor Services Pty Limited as the Share Registry.

(b) Disclosures and responsibility

Each person named in section 9.9(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
  - MIXI Australia in respect of the MIXI Information only; and
  - Grant Samuel & Associates Pty Limited in relation to the Independent Expert's Report; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 9.9(b).

9.10 ASIC relief

Regulation 5.1.01 of the Corporations Regulations requires that, unless ASIC allows otherwise, this Scheme Booklet must contain all matters set out in Part 3 of Schedule 8 of the Corporations Regulations.

Clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires an explanatory statement to set out whether, within the knowledge of the PointsBet Directors, the financial position of PointsBet has materially changed since the date of the last balance sheet laid before PointsBet in general meeting (being its financial statements for the year ended 30 June 2024) or sent to PointsBet Shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, full particulars of any change. ASIC has granted PointsBet relief from this requirement so that this Scheme Booklet only needs set out whether, within the knowledge of the PointsBet Directors, the financial position of PointsBet has materially changed since 31 December 2024 and, if so, particulars of any change.

Copies of the PointsBet financial statements for the half year ended 31 December 2024 are available free of charge on the PointsBet website https://investors.pointsbet.com.au/company-announcements or by contacting the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday (excluding public holidays).

9.11 No unacceptable circumstances

PointsBet considers that the Scheme does not involve any circumstances in relation to the affairs of PointsBet that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

9.12 Transaction costs

PointsBet estimates that it will incur approximately $4.75 million to $5.25 million (excluding GST and disbursements) in external Transaction costs which relate to the Scheme. This includes advisory fees (including for PointsBet's financial and legal advisers), the Independent Expert's fees, Share Registry fees, printing and mailing costs, and expenses associated with convening and holding the Scheme Meeting. Of this, approximately $3.25 million (excluding GST and disbursements) will be incurred regardless of whether or not the Scheme is implemented, excluding any Break Fee that may be payable to MIXI Australia.

As outlined in section 9.3(d), a Reverse Break Fee may be payable in certain circumstances in recognition of the costs incurred by PointsBet (including significant opportunity costs) if the Scheme is subsequently not implemented.

9.13 No other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any PointsBet Director, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to PointsBet Shareholders.

9.14 Supplementary information

PointsBet will issue a supplementary document to this Scheme Booklet if it becomes aware of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet that is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet that has occurred; or

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- a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, PointsBet may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to PointsBet Shareholders at their address shown on the PointsBet Share Register (or emailing it or making it available if the PointsBet Shareholder has selected an electronic communication preference); and/or
- placing a statement on the PointsBet website https://investors.pointsbet.com.au/company-announcements,

as PointsBet in its absolute discretion considers appropriate.

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10 Glossary and Interpretation

10.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below:

Term	Meaning
AGCO	the Alcohol and Gaming Commission of Ontario.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning in sections 12 and 15 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ATO	the Australian Taxation Office.
AUSTRAC	the Australian Transaction Reports and Analysis Centre.
Banach	Banach Technology Limited.
Betr	betr Entertainment Limited (ACN 647 124 641), formerly known as BlueBet Holdings Limited.
Betr Proposal	the confidential, non-binding, indicative proposal from Betr dated 18 February 2025, with further details announced by Betr on 26 February 2025 and 6 March 2025 respectively, and further details of which are outlined in section 9.8.
Betr Revised Proposal	the confidential, non-binding, indicative revised proposal from Betr dated 29 April 2025, with further details announced by Betr on 29 April 2025, and further details of which are outlined in section 9.8.
Break Fee	has the meaning given in section 9.3(c).
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Australia or Tokyo, Japan.
CFC	Australian controlled foreign company.
CGT	capital gains tax.
Commitment Letter	has the meaning given in section 6.5.
Competing Proposal	any proposal, agreement, arrangement or transaction, which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either directly or indirectly and either alone or together with any one or more of its Associates): (a) acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of PointsBet Shares; (b) acquiring control (for the purposes of, and as defined in, section 50AA of the Corporations Act) of PointsBet;

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Term	Meaning
	(c) acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part of the PointsBet Business, assets or undertakings of PointsBet; (d) otherwise directly or indirectly acquiring, merging or amalgamating with PointsBet; or (e) requiring MIXI Australia to abandon, or otherwise fail to proceed with, the Transaction, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition or disposal, divestment, sell-down, capital reduction or buy-back, sale or purchase of shares, other securities or assets, joint venture, reverse takeover, deed of company arrangement, any debt or equity arrangement, recapitalisation, refinancing, dual-listed company structure (or other synthetic merger), or any other transaction or arrangement.
Continuing Operations	PointsBet's operations in Australia and Canada.
Corporations Act	the *Corporations Act 2001* (Cth).
Corporations Regulations	the *Corporations Regulations 2001* (Cth).
Court	the Federal Court of Australia (Victorian Registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing by PointsBet and MIXI Australia.
Data Room	the virtual data room made available by PointsBet to MIXI Australia for the purposes of providing information to MIXI Australia for the purposes of the Transaction.
Declaration Form	a Declaration that they are an Australian tax resident or that their Scheme Shares are not an “indirect Australian real property interest”.
Deed Poll	the deed poll executed by MIXI and MIXI Australia on 6 May 2025 pursuant to which each of MIXI and MIXI Australia acknowledge and confirm their obligations to the Scheme Shareholders under the Scheme. A copy of the Deed Poll is contained in Annexure B.
Discontinued Operations	the sale of the US Business and Europe operations, which were classified as discontinued effective from the shareholder approval date on 30 June 2023.
Due Diligence Materials	(a) all information and documents disclosed by or on behalf of PointsBet to MIXI Australia or any of its representatives in the Data Room; and (b) the responses (including any responses provided on due diligence calls), whether verbal or written, to the questions raised by MIXI Australia or its representatives during the due diligence process as provided by or on behalf of PointsBet, in each case, before 8.00 am on the Business Day before the date of the Scheme Implementation Deed.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective, which is currently expected to be Monday, 16 June 2025.

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Term	Meaning
End Date	25 February 2026 or such other date as agreed in writing by PointsBet and MIXI Australia.
ESOP	the PointsBet Employee Share Option Plan.
Excluded Shareholder	any PointsBet Shareholder who is a MIXI Group Member or any PointsBet Shareholder who holds any PointsBet Shares on behalf of, or for the benefit of, any MIXI Group Member and does not hold PointsBet Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	the period from 25 February 2025 and ending on the earliest of: (a) the termination of the Scheme Implementation Deed; (b) the End Date; and (c) the Implementation Date.
FBG	FBG Enterprises Opco, LLC doing business as Fanatics Betting and Gaming.
FIRB	the Australian Foreign Investment Review Board.
First Court Date	the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard, which will be held at 10:15am (Melbourne time) on Thursday, 8 May 2025.
FRCGW Amount	has the meaning given in section 8.2.
FY2023	financial year ended 30 June 2023.
FY2024	financial year ended 30 June 2024.
Gambling Laws	all applicable statutes, regulations, ordinances, by-laws, ministerial directions, binding codes of conduct or other legislative instruments or anything similar to the above relating to or in connection with: (a) digital wagering, digital gaming, digital casinos and other similar gambling related activities; (b) the activities or undertakings of operating a business as referred to in paragraph (a) above; or (c) the carrying on of a business of the type conducted by the PointsBet Group, in each of the respective jurisdictions in which the PointsBet Group operates (including, for the avoidance of doubt, jurisdictions in Australia and Ontario, Canada).
Gambling Licence	any licence, registration, permit, authorisation or approval issued by a Regulatory Body that is required by the PointsBet Group under the Gambling Laws to conduct gambling operations or otherwise operate its business in each of the respective jurisdictions in which the PointsBet Group operates (including, for the avoidance of doubt, jurisdictions in Australia and Canada).
Government Agency	whether foreign or domestic: (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-

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Term	Meaning
	regulatory organisation established under statute or any stock exchange (including ASIC, AUSTRAC, the Takeovers Panel, FIRB, the NTRWC, the AGCO and IGO).
GST	goods and services tax or similar value added tax levied or imposed in Australia under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or otherwise on a supply.
HY2025	financial half year ended 31 December 2024.
IGO	iGaming Ontario.
Implementation Date	the date of implementation of the Scheme, being the fifth Business Day after the Scheme Record Date, currently expected to be Wednesday, 25 June 2025, or such other date as PointsBet and MIXI Australia agree in writing or as ordered by the Court.
Independent Expert	Grant Samuel & Associates Pty Limited (ACN 050 036 372).
Independent Expert's Report	the report prepared by the Independent Expert set out in Annexure D.
ITAA 1997	*Income Tax Assessment Act 1997*.
KEEP	the PointsBet Key Employee Equity Plan.
Last Practicable Date	1 May 2025, being the last practicable trading day prior to finalising the information in this Scheme Booklet.
Listing Rules	the official listing rules of the ASX.
Material Adverse Change	(a) any event, matter, change or circumstance occurring, discovered or announced between the date of this deed and 8.00am on the Second Court Date (including any action or change taken by a Government Agency or Regulatory Body) which, whether individually or when aggregated with all such events, matters, changes, or circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered likely to have (after taking into account any matter which offsets the impact of the event, change or circumstance and in each case other than those events, changes or circumstances) the effect of: (i) reducing on a recurring basis the Projected Normalised EBITDA of the PointsBet Group for the financial year ending 30 June 2025 of A$11,000,000 (as disclosed to the ASX in PointsBet's Appendix 4C on 31 January 2025) to below A$8,000,000; or (ii) reducing the net cash balance of the PointsBet Group in the ordinary course (for the avoidance of doubt, excluding any amount used in connection with the cash settlement of the Performance Share Rights) as at 5.00pm on 30 June 2025 below A$10,000,000; or (b) any Prescribed Regulatory Event, other than those events, changes or circumstances: (c) contemplated or required to be done by PointsBet under the Transaction Documents (or reasonably necessary to the foregoing); (d) fairly disclosed in an announcement made by PointsBet to ASX, or a publicly available document lodged by PointsBet with ASIC, in the 24 months prior to 25 February 2025;

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Term	Meaning
	(e) relating to the costs, fees and expenses incurred by PointsBet associated with the Transaction, including all fees payable to all external advisers of PointsBet (to the extent such amounts are fairly disclosed in the Due Diligence Materials); (f) where PointsBet has first notified MIXI Australia in writing in relation to the relevant event and MIXI Australia has approved (in its sole discretion) the proposed event in writing; (g) done or not done at the written request of MIXI Australia; (h) arising from general changes in economic, industry or business conditions that impact on PointsBet and its competitors in a similar manner (including changes to betting and gaming regulations, licence conditions, taxes (including point of consumption taxes) and fees applying to industry participants); (i) arising from any act of terrorism, outbreak or escalation of war (whether or not declared), major hostilities, civil unrest, act of god, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, other natural disaster or adverse weather conditions, or outbreak or escalation of any disease epidemic or pandemic (including the outbreak, escalation or any impact of, or recovery from, the COVID-19 pandemic); or (j) except in connection with or in response to a Prescribed Regulatory Event, fairly disclosed in writing by PointsBet in the Due Diligence Materials prior to 25 February 2025.
MGB	MGB Australia Pty Ltd (ACN 645 330 230).
MIXI	MIXI, Inc, the Japanese holding company of MIXI Australia who has agree to guarantee MIXI Australia's obligation to pay the Scheme Consideration subject to the terms of the Scheme Implementation Deed.
MIXI Australia	MIXI Australia Pty Ltd (ACN 681 434 640).
MIXI Counter Proposal	has the meaning given in section 9.3.
MIXI Group	MIXI Australia and each of its Related Bodies Corporate, and a reference to a **MIXI Group Member** or a **member of the MIXI Group** is to MIXI Australia or any of its Related Bodies Corporate.
MIXI Information	the information regarding the MIXI Group provided by or on behalf of MIXI Australia to PointsBet in writing for inclusion in this Scheme Booklet, being: (a) the paragraph commencing 'Although MIXI Australia considers that the views reflected in any forward-looking statements included in the MIXI Information' in the subsection headed 'Disclaimer as to forward-looking statements' in the Important Notices; (b) the answer to the questions 'Who are MIXI and MIXI Australia?', 'What are MIXI Australia's intentions for PointsBet if the Scheme is implemented?' and 'How is MIXI Australia funding the Scheme Consideration?' in section 2; and (c) section 6. For the avoidance of doubt, the MIXI Information excludes the PointsBet Information, the Independent Expert's Report and any other report or letter issued to PointsBet by a third party.
Notice of Scheme Meeting	the notice of scheme meeting relating to the Scheme Meeting which is contained in Annexure C.
NTRWC	the Northern Territory Racing and Wagering Commission.

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Term	Meaning
Option	an unquoted option to subscribe for a PointsBet Share.
Performance Share Right	an unquoted performance share right to subscribe for a PointsBet Share issued under the KEEP.
PointsBet	PointsBet Holdings Limited (ABN 68 621 179 351).
PointsBet Board	the board of directors of PointsBet.
PointsBet Business	the business carried on by the PointsBet Group.
PointsBet Director or **Your Director**	any director of PointsBet comprising part of the PointsBet Board.
PointsBet Group	PointsBet and each of its Related Bodies Corporate, and a reference to a **PointsBet Group Member** or a **member of the PointsBet Group** is to PointsBet or any of its Related Bodies Corporate.
PointsBet Information	the information contained in this Scheme Booklet, other than the MIXI Information, any other report or letter issued to PointsBet by a third party and the Independent Expert's Report.
PointsBet Share	a fully paid ordinary share of PointsBet.
PointsBet Share Register	the register of members of PointsBet maintained in accordance with the Corporations Act.
PointsBet Shareholder	each person who is registered as the holder of a PointsBet Share from time to time.
PointsBet USA	PointsBet USA Inc.
Prescribed Occurrence	the occurrence of any of the following between 25 February 2025 and 8.00am (Melbourne time) on the Second Court Date: (a) a member of the PointsBet Group converting all or any of its shares into a larger or smaller number of shares; (b) a member of the PointsBet Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; (c) a member of the PointsBet Group: (i) entering into a buy-back agreement; or (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act; (d) a member of the PointsBet Group issuing shares, or granting a right or an option over an unissued share, or agreeing to make such an issue or grant such a right or an option; (e) any member of the PointsBet Group creating any new security-based incentive plan or scheme, or varying any existing incentive plan or scheme (including the PointsBet ESOP and the PointsBet KEEP); (f) a member of the PointsBet Group issuing, or agreeing to issue, securities convertible into shares or debt securities; (g) PointsBet ceases to be listed on the ASX;

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Term	Meaning
	(h) PointsBet declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its member, or announcing an intention to do any of the above; (i) a member of the PointsBet Group disposing, or agreeing to dispose, of the whole or a substantial part, of the PointsBet Business, its property or its undertaking (whether by way of a single transaction or series of related transactions); (j) a member of the PointsBet Group creating an encumbrance, or agreeing to grant an Encumbrance over the whole or a substantial part, of the PointsBet Business or its property; (k) a member of the PointsBet Group adopting a new constitution or making any change to its constitution; (l) an insolvency event occurs in relation to a member of the PointsBet Group; or (m) any member of the PointsBet Group entering into, or resolving to enter into, a transaction with any related party of PointsBet (other than a related party that is a member of the PointsBet Group), as defined in section 228 of the Corporations Act; or (n) any member of the PointsBet Group authorising, agreeing, committing or resolving to do any of the matters set out in paragraphs (a) to (m) of this definition, other than: (o) as required or permitted by the Scheme Implementation Deed or the Scheme, including a member of the PointsBet Group entering into any funding arrangements in connection with the cash settlement of the Performance Share Rights; (p) as fairly disclosed to ASX in the two-year period prior to 25 February 2025; (q) as fairly disclosed to MIXI Australia in the Due Diligence Materials; or (r) with the prior written consent of MIXI Australia.
Prescribed Regulatory Event	any of the following occurring, discovered or announced between 25 February 2025 and 8.00am on the Second Court Date: (a) the imposition of any terms, conditions or restrictions by any Government Agency or Regulatory Body to any Gambling Licence held by any PointsBet Group Member that could by its nature reasonably be expected to have a material adverse monetary impact of $20 million or more on the PointsBet Group or the PointsBet Business; (b) an investigation, disciplinary or enforcement action, penalty or fine pursuant to any Gambling Laws that has, or could by its nature reasonably be expected to have, a material adverse monetary impact of $20 million or more on the PointsBet Group or the PointsBet Business; (c) any recovery action or assessment issued, announced or undertaken by a revenue or taxation authority or Regulatory Body against a PointsBet Group Member which could have a material adverse monetary impact of $20 million or more on the PointsBet Group; or (d) the cancellation or suspension (of a continuous period of at least 3 months) by any Government Agency or Regulatory Body of any Gambling Licence held by any PointsBet Group Member.
Projected Normalised EBITDA	in respect of the PointsBet Group, the projected earnings before interest, taxes, depreciation and amortisation on a normalised basis, consistent with the accounting policies and practices applied by PointsBet and the disclosures by PointsBet on the ASX and in the Due Diligence Materials.
PwC	PricewaterhouseCoopers.
Regulations	has the meaning given in section 7.2.

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Term	Meaning
Regulatory Body	any federal, state, provincial, territorial or local statutory, administrative, representative or semi-governmental, non-governmental or industry body, agency, entity or authority performing a regulatory or quasi-regulatory function in relation to the PointsBet Business or part thereof and includes any Government Agency performing such function.
Related Bodies Corporate	has the meaning set out in the Corporations Act.
Relevant Interest	has the same meaning as given in sections 608 and 609 of the Corporations Act.
Reverse Break Fee	has the meaning given in section 9.3(d).
Scheme	the scheme of arrangement between PointsBet and the Scheme Shareholders under which all Scheme Shares will be transferred to MIXI Australia in accordance with Part 5.1 of the Corporations Act, substantially in the form in Annexure A, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.
Scheme Booklet	this scheme booklet.
Scheme Consideration	the consideration to be provided by MIXI Australia in consideration for the transfer of the PointsBet Shares held by a Scheme Shareholder to MIXI Australia, being, in respect of each Scheme Share, $1.06 cash.
Scheme Implementation Deed	the Scheme Implementation Deed between PointsBet and MIXI and MIXI Australia dated 25 February 2025. A summary is set out in section 9.3, and a full copy can be obtained from the PointsBet website https://investors.pointsbet.com.au/company-announcements.
Scheme Meeting	the meeting of PointsBet Shareholders (other than an Excluded Shareholder) ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme, which will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria on Thursday, 12 June 2025 at 9.00am (Melbourne time).
Scheme Record Date	5.00pm (Melbourne time) on the second Business Day after the Effective Date, currently expected to be on Wednesday, 18 June 2025.
Scheme Resolution	the resolution to agree to the terms of the Scheme, the form of which is set out in the Notice of Scheme Meeting.
Scheme Share	a PointsBet Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Shareholder	a PointsBet Shareholder recorded in the PointsBet Share Register as at the Scheme Record Date, other than an Excluded Shareholder.
Second Court Date	the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard, or if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned application or appeal is heard, which is currently expected to be held at 10:15am (Melbourne time) on Friday, 13 June 2025.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

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Term	Meaning
Share Registry or **Computershare**	Computershare Investor Services Pty Limited (ACN 078 279 277).
Superior Proposal	a bona fide written Competing Proposal which the PointsBet Board, acting in good faith, after taking written advice from its legal and financial advisers, determines: (a) is reasonably capable of being completed in a timely fashion in accordance with its terms; and (b) would, if completed substantially in accordance with its terms, be more favourable to PointsBet Shareholders (as a whole) than the Transaction.
Takeovers Panel	the Australian Takeovers Panel.
Transaction	the acquisition by MIXI Australia of all of the PointsBet Shares through implementation of the Scheme.
Transaction Documents	the Scheme Implementation Deed, the Scheme and the Deed Poll.
US Business	has the meaning given in section 5.1.
VWAP	volume weighted average price.

10.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(b) words importing a gender include any gender;

(c) words importing the singular include the plural and vice versa;

(d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;

(f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

(h) a reference to time is a reference to time in Melbourne, Australia;

(i) a reference to writing includes facsimile transmissions; and

(j) a reference to dollars, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

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11 Corporate Directory

PointsBet Holdings Limited

Level 2
165 Cremorne Street
Cremorne, VIC 3121
Australia

Financial Adviser

Flagstaff Partners Pty Ltd
Level 20, 101 Collins Street
Melbourne, VIC 3000
Australia

Legal Adviser

Baker McKenzie
Tower One – International Towers Sydney
100 Barangaroo Ave
Sydney, NSW 2000
Australia

Independent Expert

Grant Samuel & Associates Pty Limited
Level 20 Governor Macquarie Tower
1 Farrer Place
Sydney, NSW 2000
Australia

Tax Advisor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay, Barangaroo NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3067
Australia

Telephone: 1300 850 505 (within Australia) and +61 3 9415 5000 (outside Australia)

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Baker McKenzie.

Annexure A

Scheme

Scheme of Arrangement

PointsBet Holdings Limited

Each person registered as a holder of Scheme Shares as at the Scheme Record Date

Baker & McKenzie
ABN 32 266 778 912
Tower One - International Towers Sydney
Level 46, 100 Barangaroo Avenue
Barangaroo NSW 2000
Australia
www.bakermckenzie.com

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Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)

Parties

PointsBet Holdings Limited (ABN 68 621 179 351) of Level 2, 165 Cremorne Street, Cremorne VIC 3121 (**PointsBet**)

Scheme Shareholders, each person who is registered as the holder of PointsBet Shares recorded in the PointsBet Share Register as at the Scheme Record Date (**Scheme Shareholders**)

Operative provisions

1. Definitions and interpretation

Definitions

1.1 In this Scheme, unless the context otherwise requires:

ADI means an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).

AGCO means the Alcohol and Gaming Commission of Ontario.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.

ATO means the Australian Taxation Office.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Australia or Tokyo, Japan.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

CHESS Holding has the meaning given in the Settlement Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (Victorian Registry)**,** or such other court of competent jurisdiction under the Corporations Act agreed to in writing by PointsBet and Mixi.

Deed Poll means the deed poll executed by Mixi and the Guarantor under which Mixi and the Guarantor covenant in favour of the Scheme Shareholders to perform the obligations attributed to Mixi and the Guarantor under this Scheme.

Effective means when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the date that is 12 months from the date of the Scheme Implementation Deed, or such other date as agreed in writing by Mixi and PointsBet.

Excluded Shareholder means any PointsBet Shareholder who is a Mixi Group Member or any PointsBet Shareholder who holds any PointsBet Shares on behalf of, or for the benefit of,

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any Mixi Group Member and does not hold PointsBet Shares on behalf of, or for the benefit of, any other person.

Government Agency means, whether foreign or Australian:

(a) a government, whether federal, state, provincial, territorial or local or a department, office or minister of a government acting in that capacity; or

(b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange (including ASIC, AUSTRAC, the Takeovers Panel, FIRB, the NTRWC, the AGCO and IGO).

GST means goods and services tax or similar value added tax levied or imposed in Australia under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or otherwise on a supply.

Guarantor means MIXI, Inc of Shibuya Scramble Square 36F, 2-24-12 Shibuya, Shibuya-ku Tokyo 150-6136 Japan.

IGO means iGaming Ontario.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date as PointsBet and Mixi agree in writing or as ordered by the Court.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

Mixi means MIXI Australia Pty Ltd (ACN 681 434 640).

Mixi Group means Mixi and each of its Related Bodies Corporate and a reference to a **Mixi Group Member** or a **member of the Mixi Group** is to Mixi or any of its Related Bodies Corporate.

Operating Rules means the official operating rules of the ASX.

PointsBet means PointsBet Holdings Limited (ABN 68 621 179 351).

PointsBet Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

PointsBet Share means a fully paid ordinary share in the capital of PointsBet.

PointsBet Share Register means the register of members of PointsBet maintained in accordance with the Corporations Act.

PointsBet Shareholder means each person who is registered as the holder of a PointsBet Share in the PointsBet Share Register.

Registered Address means, in relation to a PointsBet Shareholder, the address shown in the PointsBet Share Register as at the Scheme Record Date.

Related Bodies Corporate has the meaning set out in the Corporations Act.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between PointsBet and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by PointsBet and Mixi.

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Scheme Consideration means the consideration to be provided by Mixi in consideration for the transfer of the PointsBet Shares held by a Scheme Shareholder to Mixi, being, in respect of each Scheme Share, A$1.06 cash.

Scheme Implementation Deed means the scheme implementation deed dated 25 February 2025 between PointsBet, Mixi and the Guarantor relating to the implementation of this Scheme.

Scheme Meeting means the meeting of PointsBet Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Record Date means 5.00 pm (Melbourne time) on the second Business Day after the Effective Date or such other date as PointsBet and Mixi agree in writing or as ordered by the Court.

Scheme Share means a PointsBet Share held by a Scheme Shareholder.

Scheme Shareholder means a PointsBet Shareholder recorded in the PointsBet Share Register as at the Scheme Record Date, other than an Excluded Shareholder.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Mixi as transferee, which may be a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned application or appeal is heard.

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Tax means any tax, duty, levy, charge, impost, fee, deduction, GST, compulsory loan or withholding that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on or in respect of any of the above.

Transaction means the acquisition by Mixi of all of the PointsBet Shares (other than those already held by any member of the Mixi Group) through implementation of the Scheme.

Transaction Documents means:

(a) the Scheme Implementation Deed;

(b) this scheme of arrangement; and

(c) the Deed Poll.

Withholding Amount has the meaning given in clause 5.5.

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Interpretation

1.2 In this document:

(a) unless the context requires otherwise, a reference:

(i) to the singular includes the plural and vice versa;

(ii) to a gender includes all genders;

(iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;

(iv) to a party means a party to this document;

(v) to a clause is to a clause of this document;

(vi) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another in writing under or in connection with this document;

(i) to a person (including a party) includes:

(A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency; and

(B) the person's successors, permitted assigns, substitutes, executors and administrators;

(vii) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;

(ii) to proceedings includes litigation, arbitration and investigation;

(iii) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal;

(viii) to any time is to prevailing Melbourne time; and

(ix) to A$ is to the lawful currency of Australia;

(b) the words "including" or "includes" mean "including, but not limited to" or "includes, without limitation" respectively;

(c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) headings are for convenience only and do not affect interpretation of this document;

(e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day;

(f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day; and

(g) a term defined in the Scheme Implementation Deed which is not defined in this document has the same meaning when used in this document.

1.3 Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2. Preliminary

PointsBet

2.1 PointsBet is a public company limited by shares, incorporated in Australia and taken to be registered in Victoria. Its registered office is at Level 2, 165 Cremorne Street, Cremorne VIC 3121 Australia.

2.2 PointsBet has been admitted to the official list of the ASX and the PointsBet Shares are quoted on the ASX.

2.3 As at the date of the Scheme Implementation Deed, there were on issue:

(a) 331,725,272 PointsBet Shares, which are quoted for trading on the ASX;

(b) 966,667 options to subscribe for PointsBet Shares with various exercise prices and expiry dates, which are not quoted for trading on any stock exchange; and

(c) 16,079,446 performance share rights, which are not quoted for trading on any stock exchange, the terms of which are set out in the PointsBet Holdings Limited Key Employee Equity Plan approved by PointsBet Shareholders at its annual general meeting held on 28 November 2023.

Mixi and the Guarantor

2.4 Mixi is a proprietary company limited by shares and incorporated in Australia. Its registered office is at Level 13, 350 Collins Street, Melbourne VIC 3000.

2.5 The Guarantor is a validly existing corporation registered under the laws of Japan and listed on the Tokyo Stock Exchange and is the holding company of Mixi. The Guarantor has agreed to guarantee Mixi's obligation to pay to the Scheme Shareholders the Scheme Consideration under this Scheme and the Deed Poll.

Effect of Scheme

2.6 If this Scheme becomes Effective:

(a) Mixi must provide, and the Guarantor must procure that Mixi provides, the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll;

(b) all of the Scheme Shares, together with all the rights and entitlements attaching to the Scheme Shares at the Implementation Date, must be transferred to Mixi and PointsBet will enter the name of Mixi in the PointsBet Share Register as the holder of all Scheme Shares on the Implementation Date; and

(c) in consideration of the transfer of the Scheme Shares, PointsBet must pay, or procure the payment of, the Scheme Consideration to each Scheme Shareholder in accordance with this Scheme and the Deed Poll.

Scheme Implementation Deed

2.7 PointsBet, Mixi and the Guarantor have entered into the Scheme Implementation Deed which sets out the terms and conditions on which Mixi and PointsBet have agreed to implement this Scheme.

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Deed Poll

2.8 This Scheme attributes actions to Mixi and the Guarantor but does not itself impose an obligation on them to perform those actions. Mixi and the Guarantor have executed the Deed Poll in favour of each Scheme Shareholder under which they have covenanted, subject to this Scheme becoming Effective, to perform certain steps attributed to them under this Scheme and to do all things necessary to implement this Scheme, including to pay or procure the payment of the Scheme Consideration to the Scheme Shareholders.

3. Conditions precedent

Conditions precedent to Scheme

3.1 This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) all the conditions in clause 3.1 of the Scheme Implementation Deed, other than the condition in the Scheme Implementation Deed relating to Court approval of this Scheme, having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed before 8.00 am on the Second Court Date;

(b) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00 am on the Second Court Date;

(c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Mixi and PointsBet;

(d) subject to clause 8.1, any other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme, and which are agreed to in writing by Mixi and PointsBet, having been satisfied or waived; and

(e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, under section 411(10) of the Corporations Act on or before the End Date (or any later date PointsBet and Mixi agree in writing).

Certificate in relation to conditions precedent

3.2 PointsBet and Mixi will each provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed as at 8.00 am on the Second Court Date.

3.3 The certificate referred to in clause 3.2 constitutes conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the relevant certificate.

End Date

3.4 This Scheme will lapse and have no further force or effect if:

(a) the Effective Date has not occurred on or before the End Date; or

(b) the Scheme Implementation Deed or the Deed Poll are terminated in accordance with their terms,

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unless PointsBet and Mixi otherwise agree in writing (and if required, as approved by the Court).

4. Implementation of Scheme

Lodgement of Court orders

4.1 PointsBet must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as practicable after the Court approves this Scheme and in any event by no later than 5.00 pm on the first Business Day after the day on which the Court order was made (or such later date as agreed in writing by Mixi and PointsBet).

Transfer of Scheme Shares

4.2 On the Implementation Date:

(a) subject to this Scheme becoming Effective and the payment of the Scheme Consideration in accordance with clauses 5.2 to 5.4, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Mixi, without the need for any further act by any Scheme Shareholder (other than acts performed by PointsBet as attorney and agent for Scheme Shareholders under clause 8.8), by:

(i) PointsBet, in its capacity as the attorney and agent of the Scheme Shareholders, delivering to Mixi a duly completed Scheme Transfer to transfer all of the Scheme Shares to Mixi, executed on behalf of the Scheme Shareholders by PointsBet as attorney and agent, for registration; and

(ii) Mixi duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to PointsBet for registration; and

(b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), but subject to the stamping of the Scheme Transfer (if required), PointsBet must enter, or procure the entry of, the name and address of Mixi in the PointsBet Share Register as the holder of all the Scheme Shares transferred to Mixi in accordance with the terms of this Scheme.

4.3 Subject to clause 4.2, as soon as practicable, but no later than 5 Business Days after the Implementation Date, PointsBet must procure that a share certificate or holding statement (or equivalent document) is sent to Mixi representing the number of PointsBet Shares held by Mixi following implementation of the Scheme.

5. Scheme Consideration

Entitlement to Scheme Consideration

5.1 Subject to the terms of this Scheme, on the Implementation Date, in consideration for the transfer to Mixi of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share.

Provision of Scheme Consideration

5.2 Mixi must, and the Guarantor must procure that Mixi does, by no later than the Business Day before the Implementation Date, deposit or procure the deposit in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme

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Shareholders (less any amount that Mixi is required to pay to the ATO pursuant to clause 5.5), in an Australian dollar denominated trust account with an ADI operated by PointsBet as trustee for the Scheme Shareholders (**Trust Account**) and notified to Mixi at least five Business Days prior to the Implementation Date. Any interest on the amounts deposited (less bank fees and other charges) will be credited to Mixi's account.

5.3 On the Implementation Date, subject to funds having been deposited in accordance with clause 5.2, PointsBet must pay or procure the payment of the Scheme Consideration from the Trust Account to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the PointsBet Share Register on the Scheme Record Date.

5.4 The obligations of PointsBet under clause 5.3 will be satisfied by PointsBet (in its absolute discretion):

(a) making or procuring a deposit into an account with an ADI in Australia notified by the Scheme Shareholder to PointsBet and recorded in or for the purposes of payments of dividends in the PointsBet Share Register as at the Scheme Record Date (**Registered Account**); or

(b) if PointsBet has not been notified by the Scheme Shareholder of a Registered Account, despatching or procuring the despatch to the Scheme Shareholder of a cheque, by pre-paid ordinary post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by pre-paid airmail post) in an envelope addressed to the Registered Address as at the Scheme Record Date.

5.5 If Mixi is required to make any withholding, deduction or payment for or on account of Tax (including under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act* 1953 (Cth) (**Subdivision 14-D**) or by any Government Agency in respect of the acquisition of Scheme Shares from certain Scheme Shareholders (**Withholding Amount**), Mixi is permitted to deduct the Withholding Amount(s) from the payment of the Scheme Consideration (or other payment) to those Scheme Shareholders, and remit such Withholding Amount(s) to the appropriate Government Agency under applicable law. The aggregate sum payable to Scheme Shareholders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders.

5.6 PointsBet and Scheme Shareholders acknowledge and agree that Mixi shall not pay any amounts to the Commissioner of Taxation of the Commonwealth of Australia under Subdivision 14-D with respect to a Scheme Shareholder where it receives an entity declaration from the Scheme Shareholders prior to the Implementation Date where:

(a) the entity declaration is made in accordance with the requirements in section 14-225 of Subdivision 14-D and covers, at least, the period between (and including) the date of the Scheme Implementation Deed and the Implementation Date (**Entity Declaration**); and

(b) Mixi does not know the Entity Declaration to be false.

5.7 PointsBet acknowledges and agrees that Mixi may approach the Australian Taxation Office (**ATO**) to obtain clarification as to the application of Subdivision 14-D to the Transaction and will provide all information and assistance that Mixi reasonably requires in making that approach. Mixi agrees:

(a) to provide PointsBet a reasonable opportunity to review the form and content of all materials to be provided to the ATO, and have regard to PointsBet's reasonable

comments on those materials and more generally take into account PointsBet's reasonable comments in relation to Mixi's engagement with the ATO in connection with the application of Subdivision 14-D to the Transaction; and

(b) not to contact any Scheme Shareholders in connection with the application of Subdivision 14-D or any other withholding obligation to the Transaction without PointsBet's prior written consent (not to be unreasonably withheld or delayed).

5.8 PointsBet and Mixi will consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following the process referred to in clause 5.7, if relevant. PointsBet and Mixi will take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to the Transaction Documents and/or obtaining relevant representations from Scheme Shareholders.

5.9 To the extent that, following satisfaction of PointsBet's obligations under clause 5.3, there is a surplus in the amount held by PointsBet as trustee for the Scheme Shareholders in the Trust Account, that surplus will be paid by PointsBet to Mixi.

Joint holders

5.10 In the case of Scheme Shares held in joint names:

(a) subject to clause 5.4, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of PointsBet, the holder whose name appears first in the PointsBet Share Register as at the Scheme Record Date or to the joint holders; and

(b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of PointsBet, the holder whose name appears first in the PointsBet Share Register as at the Scheme Record Date or to the joint holders.

Unclaimed monies

5.11 PointsBet may cancel a cheque issued under this clause 5 if the cheque:

(a) is returned to PointsBet (or its agents); or

(b) has not been presented by a Scheme Shareholder within six months after the Implementation Date.

5.12 During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to PointsBet (or the PointsBet Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), PointsBet must reissue a cheque that was previously cancelled under clause 5.11.

5.13 The *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008* (Vic)).

5.14 Any interest or other benefit accruing from the unclaimed Scheme Consideration will be to the benefit of Mixi.

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Orders of a court or Government Agency

5.15 If written notice is given to PointsBet (or the PointsBet Registry) of an order or direction made by a court of competent jurisdiction or by a Government Agency that:

(a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by PointsBet in accordance with this clause 5, then PointsBet will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(b) prevents PointsBet from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, PointsBet will be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.

5.16 To the extent that amounts are so deducted or withheld in accordance with clause 5.15, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6. Dealings in PointsBet Shares

Determination of Scheme Shareholders

6.1 Each Scheme Shareholder will be entitled to participate in this Scheme.

6.2 To establish the identity of the Scheme Shareholders, dealings in PointsBet Shares will only be recognised if:

(a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the PointsBet Share Register as the holder of the relevant PointsBet Shares before the Scheme Record Date; and

(b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received by the PointsBet Registry before the Scheme Record Date,

and PointsBet must not accept for registration, nor recognise for any purpose (except a transfer to Mixi pursuant to the Scheme and any subsequent transfer by Mixi or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

PointsBet's obligation to register

6.3 PointsBet must register any registrable transfers or transmission applications of the Scheme Shares in accordance with clause 6.2(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.3 requires PointsBet to register a transfer that would result in a PointsBet Shareholder holding a parcel of PointsBet Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.3 'marketable parcel' has the meaning given in the Operating Rules).

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Transfers after the Scheme Record Date

6.4 If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date, other than in accordance with this Scheme, and any attempt to do so will have no effect and PointsBet will be entitled to disregard any such disposal or other dealing.

6.5 PointsBet will not accept for registration or recognise for any purpose any transmission application or transfer in respect of PointsBet Shares received after the Scheme Record Date, other than to Mixi in accordance with this Scheme and any subsequent transfer by Mixi or its successors in title.

Maintenance of PointsBet Share Register

6.6 For the purpose of determining entitlements to the Scheme Consideration, PointsBet must, until the Scheme Consideration has been paid to the Scheme Shareholders, maintain the PointsBet Share Register in accordance with this clause 6. The PointsBet Share Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of holding statements

6.7 All statements of holding for PointsBet Shares (other than statements of holding in favour of Mixi) will cease to have effect after the Scheme Record Date as a document of title in respect of those shares.

6.8 Each entry on the PointsBet Share Register as at the Scheme Record Date (other than entries on the PointsBet Share Register in respect of Mixi) will cease to have any effect except other than as evidence of the entitlements of the Scheme Shareholders to the Scheme Consideration in respect of the PointsBet Shares relating to that entry.

Information to be made available to Mixi

6.9 As soon as practicable on or after the Scheme Record Date, and in any event within two Business Days after the Scheme Record Date, PointsBet will ensure that details of the names, Registered Addresses and holdings of PointsBet Shares for each Scheme Shareholder as shown in the PointsBet Share Register are available to Mixi in the form Mixi reasonably requires.

7. Quotation of PointsBet Shares

7.1 PointsBet must apply to the ASX to suspend trading of PointsBet Shares on the ASX with effect from the close of trading on the Effective Date.

7.2 On a date after the Implementation Date to be determined by Mixi, PointsBet must take all steps reasonably necessary and within its power (including by applying to ASX and satisfying any conditions reasonably required by ASX) to procure:

(a) the termination of the official quotation of PointsBet Shares on the ASX; and

(b) the removal of PointsBet from the official list of the ASX.

8. General Scheme provisions

Consent to amendments to this Scheme

8.1 If the Court proposes to approve this Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act:

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(a) PointsBet may by its counsel, and with the consent of Mixi, consent to those alterations or conditions on behalf of all persons concerned including, for the avoidance of doubt, all Scheme Shareholders; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for PointsBet has consented to in accordance with clause 8.1(a).

Scheme Shareholders' agreements and warranties

8.2 Each Scheme Shareholder irrevocably:

(a) agrees to the transfer of their PointsBet Shares together with all rights and entitlements attaching to those PointsBet Shares to Mixi in accordance with the terms of this Scheme;

(b) agrees to the variation, cancellation or modification of the rights attached to their PointsBet Shares constituted by or resulting from this Scheme;

(c) agrees to, on the direction of Mixi, destroy any holding statements or share certificates relating to their PointsBet Shares;

(d) agrees, if they hold their PointsBet Shares in a CHESS Holding, to the conversion of those PointsBet Shares to an Issuer Sponsored Holding and irrevocably authorises PointsBet to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;

(e) acknowledges and agrees that this Scheme binds PointsBet and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of PointsBet;

(f) agrees that after the transfer of the Scheme Shares to Mixi, any share certificate or holding statement relating to the Scheme Shares will not constitute evidence of title to those Scheme Shares; and

(g) consents to PointsBet and Mixi doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme,

without the need for any further act by that Scheme Shareholder.

8.3 Each Scheme Shareholder is taken to have warranted to PointsBet and Mixi on the Implementation Date, and appointed and authorised PointsBet as its attorney and agent to warrant to Mixi on the Implementation Date, that:

(a) all of its PointsBet Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(b) it has no existing right to be issued any shares, equity incentives or other securities; and

(c) it has full power and capacity to transfer its legal and beneficial title to PointsBet Shares to Mixi together with any rights and entitlements attaching to those shares.

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8.4 PointsBet undertakes in favour of each Scheme Shareholder that it will provide the warranties in clause 8.3, to the extent enforceable, to Mixi on behalf of that Scheme Shareholder.

Title to and rights in Scheme Shares

8.5 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Mixi will, at the time of transfer of them to Mixi, vest in Mixi free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

8.6 On and from the Implementation Date, subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and pending registration by PointsBet of Mixi as the holder of all Scheme Shares in the PointsBet Share Register, Mixi will be beneficially entitled to the Scheme Shares.

Appointment of sole proxy

8.7 Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and until registration by PointsBet of Mixi as the holder of all Scheme Shares in the PointsBet Share Register, each Scheme Shareholder:

(a) is deemed to have irrevocably appointed Mixi as attorney and agent (and directed Mixi in each such capacity) to appoint any director, officer, secretary or agent nominated by Mixi as its sole proxy and, where applicable or appropriate, corporate representative to:

(i) attend shareholders' meetings;

(ii) exercise the votes attaching to the Scheme Shares registered in their name; and

(iii) sign any shareholders' resolution;

(b) must not, and undertakes to Mixi not to, attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.7(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as Mixi reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), Mixi and any director, officer, secretary or agent nominated by Mixi under clause 8.7(a) may act in the best interests of Mixi as the intended registered holder of the Scheme Shares.

Authority given to PointsBet

8.8 Each Scheme Shareholder, without the need for any further act:

(a) on the Effective Date, irrevocably appoints PointsBet and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Mixi and the Guarantor, and PointsBet undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Mixi and the Guarantor on behalf of and as agent and attorney for each Scheme Shareholder; and

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(b) on the Implementation Date, irrevocably appoints PointsBet and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing and delivering the Scheme Transfer.

8.9 PointsBet accepts each such appointment contemplated by clause 8.8. PointsBet as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under clause 8.8 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

Binding effect of Scheme

8.10 This Scheme binds PointsBet and all of the Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote on this Scheme, do not vote at the Scheme Meeting, or vote against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of PointsBet.

Costs and stamp duty

8.11 Mixi will, and the Guarantor must procure that Mixi does:

(a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.11(a).

Consent

8.12 Each of the Scheme Shareholders consents to PointsBet doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, PointsBet or otherwise.

No liability when acting in good faith

8.13 Each Scheme Shareholder agrees that neither PointsBet, Mixi, nor the Guarantor, nor any of their respective directors, officers, agents, representatives or employees will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Notices

8.14 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to PointsBet, it will not be deemed to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at PointsBet's registered office or at the office of the PointsBet Registry.

8.15 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any PointsBet Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

Further action

8.16 PointsBet must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

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Governing law and jurisdiction

8.17 This Scheme is governed by the laws applicable in Victoria, Australia. Each party irrevocably and unconditionally:

(a) submits to the non-exclusive jurisdiction of the courts in Victoria, Australia and any courts which have jurisdiction to hear appeals from any of those courts in respect of any proceedings arising out of or in connection with this Scheme; and

(b) waives, without limitation, any claim or objection now or in the future based on absence of jurisdiction or inconvenient forum if that venue falls within clause 8.17(a).

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Baker McKenzie.

Annexure B
Deed Poll

Deed Poll

MIXI Australia Pty Ltd

MIXI, Inc

Baker & McKenzie
ABN 32 266 778 912
Tower One - International Towers Sydney
Level 46, 100 Barangaroo Avenue
Barangaroo NSW 2000
Australia
www.bakermckenzie.com

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Title	**Deed Poll**
Date	May 6 2025
Parties	**MIXI Australia Pty Ltd** (ACN 681 434 640) of Level 13, 350 Collins Street, Melbourne VIC 3000 (**Mixi**) **MIXI, Inc** of Shibuya Scramble Square 36F, 2-24-12 Shibuya, Shibuya-ku Tokyo 150-6136 Japan (**Guarantor**) **In favour of each person registered as a holder of fully paid ordinary shares in PointsBet in the PointsBet Share Register as at the Scheme Record Date.**

Recitals

A PointsBet, Mixi and the Guarantor entered into the Scheme Implementation Deed.

B In the Scheme Implementation Deed, Mixi and the Guarantor agreed to enter into this Deed Poll.

C Mixi and the Guarantor are entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Scheme Implementation Deed and the Scheme.

Operative provisions

1. Definitions and interpretation

1.1 The meanings of the terms used in this Deed Poll are set out below.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

PointsBet means PointsBet Holdings Limited (ABN 68 621 179 351) of Level 2, 165 Cremorne Street, Cremorne VIC 3121 Australia.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between PointsBet and the Scheme Shareholders, the form of which is set out in Schedule 3 to the Scheme Implementation Deed, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Mixi and PointsBet.

Scheme Implementation Deed means the scheme implementation deed entered into between PointsBet, Mixi and the Guarantor dated 25 February 2025.

1.2 Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this Deed Poll.

1.3 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll, except that references to 'this document' are to be read as references to 'this Deed Poll'.

2. Nature of Deed Poll

2.1 Mixi and the Guarantor acknowledge that:

(a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints PointsBet and each of its directors and officers (jointly and each of them severally) as its agent and attorney to enforce this Deed Poll against Mixi and the Guarantor.

3. Conditions precedent and termination

Conditions precedent

3.1 The obligations of Mixi and the Guarantor under this Deed Poll are subject to the Scheme becoming Effective.

Termination

3.2 The obligations of Mixi and the Guarantor under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no force or effect if:

(a) the Scheme Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the End Date,

unless Mixi, the Guarantor and PointsBet otherwise agree in writing (and, if required, as approved by the Court).

Consequences of termination

3.3 If this Deed Poll terminates under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies:

(a) Mixi and the Guarantor are released from their obligations to further perform this Deed Poll, except those obligations under clause 8.1; and

(b) each Scheme Shareholder retains the rights they have against Mixi and the Guarantor in respect of any breach of this Deed Poll which occurred before it was terminated.

4. Payment of Scheme Consideration

4.1 Subject to clause 3, Mixi undertakes, and the Guarantor undertakes to procure Mixi, to:

(a) by no later than the Business Day before the Implementation Date, deposit or procure the deposit of, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme (less any amount that Mixi is required to pay to the Australian Taxation Office pursuant to clause 5.5 of the Scheme) into an Australian dollar denominated trust account with an ADI operated by PointsBet as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to Mixi's account; and

(b) undertake all other actions attributed to it under the Scheme,

subject to and in accordance with the terms of the Scheme and in favour of each Scheme Shareholder.

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5. Representations and warranties

Mixi and the Guarantor represent and warrant in favour of each Scheme Shareholder, in respect of itself, that:

(a) it is a validly existing corporation registered under the laws of its place of incorporation;

(b) it has the legal right and corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

(c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

(d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and

(e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6. Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

(a) Mixi and the Guarantor have fully performed their obligations under this Deed Poll; or

(b) the earlier termination of this Deed Poll under clause 3.

7. Notices

7.1 Any notice (including any other communication) given to Mixi and the Guarantor under or in connection with this Deed Poll must be:

(a) in writing and in English;

(b) addressed to Mixi and the Guarantor at the address or email address set out below:

Address:	Level 13, 350 Collins Street, Melbourne VIC 3000
Attention:	[redacted]
Email:	[redacted]
With a copy to:	Clayton Utz Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia
Attention:	Hiroyuki Kano Andrew Walker
Email:	hkano@claytonutz.com awalker@claytonutz.com

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(c) signed by or on behalf of the person giving the notice. If the notice is sent by email and does not contain a signature, it is deemed to be signed by the person identified as the sender of the email;

(d) sent by hand, prepaid post (airmail if to or from a place outside Australia) or email; and

(e) if sent by email, in a form which:

(i) identifies the sender; and

(ii) clearly indicates the subject matter of the notice in the subject heading of the email.

7.2 Without limiting any other means by which a person may prove that a notice has been received by Mixi and the Guarantor, a notice is deemed to be received:

(a) if sent by hand, when left at the address of Mixi and the Guarantor;

(b) if sent by prepaid post, five Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or

(c) if sent by email:

(i) at the time the email was delivered to the recipient's email server or the recipient read the email, as stated in an automated message received by the sender; or

(ii) two hours after the email was sent (as recorded on the device from which it was sent), unless within 24 hours of sending the email the sender receives an automated message that it was not delivered,

whichever is earlier, but any notice or other communication that, pursuant to this clause 7.2, would be considered to have been received by Mixi and the Guarantor if a notice would otherwise be deemed to be received by Mixi and the Guarantor on a day that is not a Business Day, or after 5.00 pm on a Business Day, the notice is deemed to be received by Mixi and the Guarantor at 9.00 am on the next Business Day.

8. General

Stamp duty

8.1 Mixi and the Guarantor will:

(a) pay all stamp duty and any related fines and penalties in respect of the Scheme and this Deed Poll, the performance of this Deed Poll and each transaction effected by or made under the Scheme and this Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.1(a).

Waiver

8.2 A waiver by a person of a provision of, or of a right under, this Deed Poll is only binding on the person granting the waiver if it is given in writing and is signed by the person or an authorised officer of the person granting the waiver.

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8.3 A waiver is effective only in the specific instance and for the specific purpose for which it is given.

8.4 A single or partial exercise of a right by a person does not preclude another exercise of that right or the exercise of another right.

8.5 The failure to exercise, or the delay in exercising, a right does not operate as a waiver or prevent the person so failing or exercising its right from later doing so.

Variation

8.6 A provision of this Deed Poll may not be varied unless the variation is agreed to by Mixi and the Guarantor and:

(a) if before the First Court Date, the variation is agreed to by PointsBet; or

(b) if on or after the First Court Date, the variation is agreed to by PointsBet and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Mixi and the Guarantor will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

Rights cumulative

8.7 The rights, powers and remedies of Mixi, the Guarantor and the Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

8.8 The rights created by this Deed Poll are personal to Mixi, the Guarantor and each Scheme Shareholder and must not be assigned, charged or otherwise dealt with at law or in equity without the prior written consent of Mixi and the Guarantor.

8.9 Any purported dealing in contravention of clause 8.8 is invalid.

Further assurances

8.10 Mixi and the Guarantor must, at its own expense, do all things and execute all documents required by law to give full effect to this Deed Poll and the transactions contemplated by it.

Governing law and jurisdiction

8.11 This Deed Poll is governed by the laws applicable in Victoria, Australia.

8.12 Mixi and the Guarantor irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts in Victoria, Australia and any courts which have jurisdiction to hear appeals from any of those courts in respect of any proceedings arising out of or in connection with this Deed Poll.

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Execution

Executed as a deed poll.

Signed sealed and delivered
by **MIXI Australia Pty Ltd**
in accordance with section 127 of the *Corporations Act 2001* by a director and secretary/director:

奥山翔

Signature of director

Sho Okuyama

Name of director (please print)

北村怜

Signature of secretary / director

Ryoh Kitamura

Name of secretary / director (please print)

Signed sealed and delivered
by **MIXI, Inc.**
by its duly authorised signatory in the presence of:

G. Araki

Signature of witness

Gohshi Araki

Name of witness (please print)

Koki Kimura

Signature of authorised signatory

Koki Kimura

Name of authorised signatory (please print)

Annexure C

Notice of Scheme Meeting

POINTSBET HOLDINGS LIMITED ABN 68 621 179 351

Notice of Scheme Meeting

Notice is hereby given that, by an order of the Federal Court of Australia made on Thursday, 8 May 2025, pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of PointsBet Holdings Limited (**PointsBet**) Shareholders (other than an Excluded Shareholder) will be held in-person at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne and online at https://meetnow.global/MRCLAGN on **Thursday, 12 June 2025 at 9.00am** (Melbourne time) (**Scheme Meeting**).

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment, or any alterations or conditions required by the Court to which PointsBet and MIXI Australia agree) proposed to be made between PointsBet and PointsBet Shareholders (other than an Excluded Shareholder) (**Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this Notice of Scheme Meeting forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this Notice of Scheme Meeting. Capitalised terms used but not defined in this Notice of Scheme Meeting have the defined meanings set out in section 10 of the Scheme Booklet, unless the context otherwise requires.

Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, to pass (with or without amendment) the following resolution (**Scheme Resolution**):

> 'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the scheme of arrangement proposed between PointsBet Holdings Limited and the holders of its ordinary shares (other than an Excluded Shareholder), as contained in and more particularly described in the Scheme Booklet of which the notice convening this Scheme Meeting forms part, is agreed to, with or without amendment, or any alterations or conditions as approved by the Federal Court of Australia to which PointsBet Holdings Limited and MIXI Australia Pty Ltd agree.'

By order of the Court and the Board of PointsBet Holdings Limited.



Mr Brett Paton
Non-Executive Chairman

Dated 8 May 2025

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Explanatory Notes

1. General

These explanatory notes relate to the Scheme, and should be read in conjunction with the Scheme Booklet dated 8 May 2025 (**Scheme Booklet**) and the Notice of Scheme Meeting. These explanatory notes and the Scheme Booklet form part of the Notice of Scheme Meeting. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure A of the Scheme Booklet.

Terms used in these explanatory notes, unless otherwise defined, have the same meaning as set out in the Glossary in section 10 of the Scheme Booklet.

2. Chair

The Court has directed that Brett Paton is to act as chair of the Scheme Meeting and that if he is unable or unwilling to act, Peter McCluskey is to act as chair of the Scheme Meeting.

3. Required voting majority

For the proposed Scheme to be binding in accordance with section 411(4)(a) of the Corporations Act, the Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number of PointsBet Shareholders (other than an Excluded Shareholder) present and voting (either in person or online, or by proxy, attorney or, in the case of corporate PointsBet Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by PointsBet Shareholders (other than an Excluded Shareholder) present and voting (either in person or online or by proxy, attorney or, in the case of corporate PointsBet Shareholders, body corporate representative).

4. Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without amendment, or any alterations or conditions required by the Court to which PointsBet and MIXI Australia agree) is subject to approval by the Court. If the Scheme Resolution is passed by the requisite majorities set out above, and the other conditions to the Scheme (other than approval by the Court) are satisfied or waived (where capable of waiver) by the time required under the Scheme, PointsBet will apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

5. Entitlement to vote

For the purposes of the Scheme Meeting, PointsBet Shares will be taken to be held by the persons who are registered as members at 7.00pm (Melbourne time) on Tuesday, 10 June 2025. Only those PointsBet Shareholders (other than an Excluded Shareholder) entered on the PointsBet Share Register at that time will be entitled to participate in and vote at the Scheme Meeting in person or online, by proxy or attorney, or in the case of a corporate PointsBet Shareholder, by a body corporate representative. Accordingly, registrable transmission applications to transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to PointsBet Shareholders entitled to participate in and vote at the Scheme Meeting.

6. How to vote

Voting will be conducted by poll.

If you are a PointsBet Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- (**in person**) attending and voting in person;
- (**online**) attending and voting online at https://meetnow.global/MRCLAGN;
- (**by proxy**) lodging a proxy form online at www.investorvote.com.au or by completing, signing and lodging a proxy form for the Scheme Meeting in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the Share Registry by 9.00am (Melbourne time) on Tuesday, 10 June 2025;
- (**by attorney**) appointing an attorney to attend the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Share Registry by 9.00am (Melbourne time) on Tuesday, 10 June 2025; or
- (**by corporate representative**) in the case of a body corporate which is a PointsBet Shareholder, by appointing a corporate representative to vote at the Scheme Meeting on behalf of that PointsBet Shareholder and providing a duly executed appointment of corporate representative (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting.

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7. Jointly held securities

If you hold the PointsBet Shares with one or more persons, only one of you may vote. If more than one of you attempts to vote at the Scheme Meeting, only the vote of the shareholder whose name appears first on the PointsBet Share Register will be counted.

8. Voting

8.1 Voting in person

To vote in person, you must attend the Scheme Meeting to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria on Thursday, 12 June 2025. The Scheme Meeting will commence at 9.00am (Melbourne time).

A PointsBet Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosure at the point of entry to the Scheme Meeting once they have disclosed their name and address.

8.2 Voting online

To vote online, you must attend the Scheme Meeting via https://meetnow.global/MRCLAGN on Thursday, 12 June 2025. The Scheme Meeting will commence at 9.00am (Melbourne time).

Shareholders and proxyholders who attend online will be able to follow the proceedings, cast a live vote and ask questions online in real time.

8.3 Voting by proxy

A PointsBet Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting as their proxy. To do so, either they should mark the box 'Appoint a Proxy' in step 1 of the proxy form to appoint the chair of the Scheme Meeting as their proxy, or insert the name and email address of their alternative proxy in the space provided. Please refer to section 8.6 of this Notice of Scheme Meeting below for further details in relation to how to submit a proxy form.

The following applies to proxy appointments:

- a proxy need not be another PointsBet Shareholder, and may be an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with sections 250D and 253B of the Corporations Act to exercise its powers as proxy at the Scheme Meeting;
- a PointsBet Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint one or two proxies. If you wish to appoint a second proxy, a second hard copy proxy form should be used, and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy proxy forms, you may obtain a second proxy form by contacting the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) on Monday to Friday between 9.00am to 5.00pm (Melbourne time), or by copying the proxy form. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the PointsBet Shareholder's voting rights. If a PointsBet Shareholder appoints two proxies and the appointment does not specify the proportion or number of the PointsBet Shareholder's votes, each proxy may exercise half of that PointsBet Shareholder's votes with any fractions of votes disregarded;
- if you hold PointsBet Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either PointsBet Shareholder may sign the proxy form; and
- each proxy will have the right to vote and ask written questions at the Scheme Meeting.

A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority.

If you have appointed a proxy and participate in the Scheme Meeting and vote on the Scheme Resolution, the authority of your proxy to participate and vote, on your behalf, is automatically revoked. However, if you take part in the Scheme Meeting but do not vote on the Scheme Resolution, you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Share Registry before the start of the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways in section 8.6 below.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chair of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it, but your proxy does not participate in the Scheme Meeting, the chair of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chair of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PointsBet Shareholders.

Proxies of eligible PointsBet Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

8.4 Voting by attorney

You may appoint an attorney to participate in and vote at the Scheme Meeting on your behalf. Your attorney need not be another PointsBet Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you, and specify your name, the Company (being, PointsBet), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be received by the Share Registry before 9.00am (Melbourne time) on Tuesday, 10 June 2025 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways specified for proxy forms in section 8.6 below, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

Attorneys of eligible PointsBet Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

8.5 Voting by corporate representative

A body corporate that is a PointsBet Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its corporate representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D and 253B of the Corporations Act. An appointment of corporate representative may be downloaded via www.investorcentre.com/au and select “Printable Forms” or obtained from the Share Registry by calling 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) on Monday to Friday between 9.00am to 5.00pm (Melbourne time).

The appointment of corporate representative may set out restrictions on the corporate representative's powers. The appointment of corporate representative must be received by the Share Registry prior to the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting). PointsBet Shareholders may submit the appointment of corporate representative in any of the ways specified for proxy forms in section 8.6 of this Notice of Scheme Meeting, except that an appointment of corporate representative cannot be lodged online or by mobile device.

If an appointment of corporate representative is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed appointment of corporate representative unless the power of attorney or other authority has previously been received by the Share Registry.

Corporate representatives of eligible PointsBet Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors.

8.6 How to submit a proxy form

To appoint a proxy, you should complete and submit the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form.

To be effective, proxy appointments must be received by way of completed proxy forms by the Share Registry by 9.00am (Melbourne time) on Tuesday, 10 June 2025 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the following ways:

- **online:**

  At www.investorvote.com.au by using the 6-digit control number and your SRN/HIN located on your proxy form.

- **by post in the provided reply-paid envelope to the Share Registry at the following address:**

  Computershare Investor Services Pty Limited
  GPO Box 1282
  Melbourne VIC 3001

- **by hand delivery (during normal business hours) to the Share Registry at the following address:**

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Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3067

Proxy forms received after this time will be invalid.

If a proxy form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been received by the Share Registry.

For more information concerning the appointment of proxies and ways to lodge the proxy form, please refer to the proxy form.

9. Questions

PointsBet Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting.

PointsBet Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions online by clicking 'Ask a question of PBH' after submitting your online proxy vote at www.investorvote.com.au. The chair of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Questions and comments may be moderated to avoid repetition and to make them more concise. Please note that individual responses will not be sent to PointsBet Shareholders.

To allow time to collate questions and prepare answers, please submit any questions by 9.00am (Melbourne time) on Tuesday, 10 June 2025.

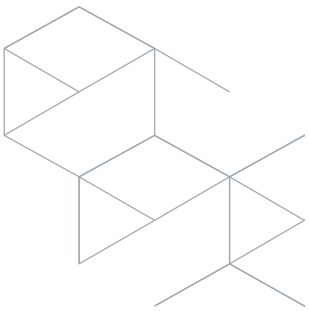
10. Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chair will have regard to the number of PointsBet Shareholders impacted, and the extent to which participation in the business of the Scheme Meeting is affected. Where the chair considers it appropriate, the chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

11. Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone from the ASX website www.asx.com.au, from the PointsBet website https://investors.pointsbet.com.au/company-announcements or by contacting the Share Registry.

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8 May 2025

The Directors
PointsBet Holdings Limited
Level 2, 165 Cremorne Street
Cremorne VIC 3121

Dear Directors

Proposal by MIXI

1 Introduction

On 26 February 2025, PointsBet Holdings Limited ("PointsBet") announced that it had entered into a scheme implementation deed with MIXI, Inc. and MIXI Australia Pty Limited (together "MIXI") under which MIXI had agreed to acquire all of the shares in PointsBet by way of a scheme of arrangement (the "Scheme"). The total consideration under the Scheme is $1.06 cash per share.

On the same day as announcement of the Scheme, BlueBet Holdings Limited (renamed as betr Entertainment Limited or "betr") announced that it had submitted a non-binding indicative offer to merge with PointsBet on 18 February 2025 (the "betr Proposal"). On 28 April 2025, betr announced that it had acquired a 19.9% relevant interest in PointsBet and, on the following day, provided an update to its proposal (the "Revised betr Proposal") and also announced that it intends to vote against the Scheme.

On 2 May 2025, The PointsBet Board announced that it is in the process of evaluating the revised proposal from betr and has sought further clarifications in relation to the proposal. There is no guarantee these discussions will result in a binding proposal. Accordingly, in compliance with its obligations under the Scheme, PointsBet considers that it is in the best interests of its shareholders to proceed with the steps required for implementation of the Scheme while it concurrently assesses whether the Revised betr Proposal could reasonably be expected to lead to a superior proposal. The PointsBet Board also announced that it will keep shareholders updated in relation to the Revised betr Proposal and its implications for the Scheme, including any change of recommendation (if any).

The Scheme is subject to a number of conditions which are set out in full in the Scheme Booklet to be sent by PointsBet to shareholders. Other elements of the Scheme include customary exclusivity obligations provided by PointsBet in favour of MIXI, the potential payment in certain circumstances of a break fee of $3.5 million by PointsBet (or, in the case of MIXI, a reverse break fee of up to $2.5 million) and an obligation for PointsBet to ensure that no performance share rights or share options are in existence on the Scheme record date.

The Board of PointsBet has unanimously recommended that shareholders vote in favour of the Scheme, subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders and in the absence of a superior proposal. Subject to the same qualifications, each PointsBet director intends to vote, or procure the voting of, shares held or controlled by them in their personal capacity in favour of the Scheme.

The Directors of PointsBet have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Scheme is in the best interests of shareholders. The report does not provide an opinion in relation to the Revised betr Proposal as, at the date of this report, it remains a non-binding, indicative proposal that is not capable of acceptance by PointsBet shareholders.

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A copy of this report (and this letter) will accompany the Scheme Booklet to be sent to PointsBet shareholders. This letter contains a summary of Grant Samuel's opinion and main conclusions.

2 Opinion

Grant Samuel has concluded that the Scheme is fair and reasonable. Accordingly, the Scheme is in the best interests of PointsBet shareholders, in the absence of a superior proposal.

3 Key Conclusions

- **The equity in PointsBet has been valued in the range $334-388 million, which corresponds to a value of $0.96-1.11 per share**

  The valuation of PointsBet is summarised below:

POINTSBET - VALUATION SUMMARY ($ MILLIONS)

	FULL REPORT SECTION REFERENCE	VALUE RANGE	
		LOW	HIGH
PointsBet Australia	6.4	260.0	290.0
PointsBet Canada	6.4	58.8	82.4
Unallocated corporate costs (net of synergies)	6.4	--	--
Enterprise value		**318.8**	**372.4**
Net cash	6.6	15.4	15.4
Value of equity		**334.2**	**387.8**
Fully diluted shares on issue (millions)[1]		347.8	347.8
Value per share		**$0.96**	**$1.11**

  The valuation represents the estimated full underlying value of PointsBet assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect PointsBet shares to trade on the Australian Securities Exchange ("ASX") in the absence of a change of control transaction.

  Valuation of PointsBet's business operations is an overall judgement having regard to a number of valuation methodologies and parameters, including discounted cash flow ("DCF") analysis and capitalisation of earnings (multiples of EBITDA[2] and EBITA[2]) and, in the case of PointsBet Canada, other industry rules of thumb (value per active client and multiples of revenue). PointsBet Canada has been valued in Canadian dollars and converted to Australian dollars using an exchange rate of C$0.85 per Australian dollar based on the most recent spot exchange rate.

  The valuation used PointsBet's 31 December 2024 balance sheet as its starting point and allows for corporate overhead costs (albeit this amount is fully offset by assumed cost savings and other operating synergies that could be achieved by more than one acquirer of PointsBet).

- **PointsBet Australia has been valued at $260-290 million**

  Grant Samuel's value range for PointsBet Australia is supported by both the DCF analysis and multiples analysis. The DCF analysis uses PointsBet's Long Term Plan[3] as a framework and:

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1 Fully diluted share on issue includes 16,079,446 performance share rights as, under the Scheme, all performance share rights will effectively be extinguished for cash consideration at a price equal to the Scheme consideration of $1.06. All outstanding options on issue are expected to lapse and have not been included.

2 EBITDA is earnings before net interest, tax, depreciation and amortisation and significant and non-recurring items. EBITDA includes non-cash costs associated with share based payments. EBITA is EBITDA less depreciation and amortisation of internally developed software.

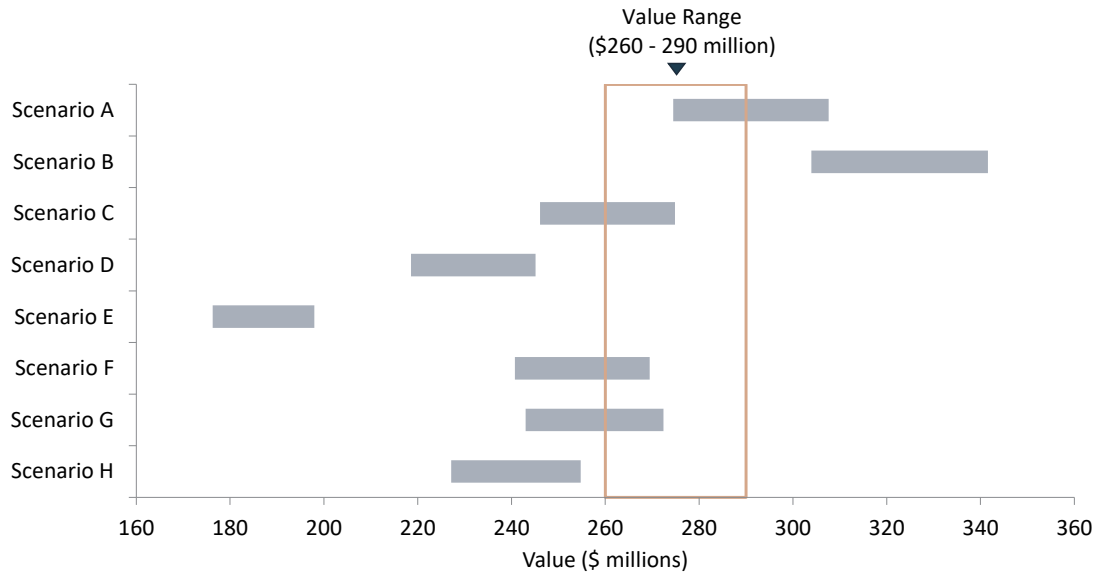
3 The Long Term Plan is the four year corporate forecast for PointsBet that was prepared by PointsBet management and approved by the Board of PointsBet in mid 2024. PointsBet has advised that the Long Term Plan was prepared in mid 2024 and is in the process of being

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- allows key drivers of revenue and earnings (e.g. net win, gross margins and EBITDA margins) to be modelled;
- projects after tax cash flows from 1 January 2025 to 30 June 2034, with terminal values calculated to represent the value of cash flows in perpetuity (using a terminal growth rate of 2.5%);
- applies a discount rate in the range of 11.0-12.0%; and
- considers a number of scenarios (see Section 6.4.2 of the full report for a description of the assumptions underlying the scenarios) that reflect different views as to the online wagering industry's growth outlook (Scenarios A, B and C), sustainability of PointsBet's net win margins (Scenarios D and E) as well as downside risks in relation to regulatory uncertainties (Scenario F); and costs such as marketing spend (Scenarios G and H).

The net present value ("NPV") outcomes and Grant Samuel's value range for PointsBet Australia are depicted below:

POINTSBET AUSTRALIA – NPV OUTCOMES



Grant Samuel has considered the NPV outcomes for all scenarios in determining its value range for PointsBet Australia and believes that the NPV outcomes produced by the DCF analysis support a value range of $260-290 million. However, the weight given to each scenario in considering the value range was subjective and not capable of being expressed in percentage terms.

In particular, the value range selected by Grant Samuel captures the bottom half of Scenario A (slight short term outperformance to a market growth case) and top end of Scenario C (a more conservative growth scenario) but is below the NPV outcome for Scenario B (which represents an upside scenario). It also incorporates only the top end (at best) of the downside scenarios given their uncertainty and PointsBet's ability to, in some circumstances, mitigate the impact.

The value range for PointsBet Australia implies multiples of 8.5-9.5 times FY25[4] EBITDA and 7.6-8.4 times FY26 EBITDA. In Grant Samuel's opinion, these EBITDA multiples are reasonable although there is limited comparable transaction evidence for Australian online bookmakers (other than those from over a decade ago) to provide support.

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revised to reflect the latest views on the market and its underlying performance both in Australia and Canada to-date. Accordingly, it has only been used as a framework for the DCF analysis.

4 FYXX is the financial year end 30 June 20XX (i.e. FY25 is the financial year ending 30 June 2025).

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The adjusted forecast EBITDA multiple of 10.5 times implied by Sportingbet plc's acquisition of Centrebet Limited ("Centrebet"), while dated (completed in 2011), provides a useful benchmark. Multiples below this level are appropriate as PointsBet Australia today faces a number of challenges that would likely affect its future earnings capacity (which were not necessarily the case for Centrebet):

- constraints on free cash flow, particularly given the ongoing investment in software development;
- maturity of the online wagering industry, which is now in a slower growth phase;
- increasing regulatory headwinds, which may impose higher costs on online bookmakers; and
- a competitive environment, with the market now largely concentrated in the three largest players, and thereby limiting opportunities to win share.

Evidence from other recent transactions involving global majors (in excess of 12 times historical EBITDA) and other listed peers (in a wide range but generally around the mid-to-high single digits) are less definitive but still supportive of multiples of around 9 times EBITDA for PointsBet Australia.

- **Valuation of PointsBet Canada is highly uncertain and is a broadly based judgement based on a number of methodologies and scenarios**

The valuation of PointsBet Canada involves a much greater level of uncertainty. The business is currently loss making and the regulated online gambling industry in Canada is in the early stages of development. A DCF analysis is generally considered the best way of estimating value for businesses that are at an early stage of development as it can explicitly capture the roll-out of the business. However, the issues for Canada are problematic, subject to divergent views and inherently uncertain:

- the online gambling market in Ontario is intensely competitive and there is no guarantee that PointsBet can maintain or gain share. Maintaining technological parity will be increasingly challenging;
- there is significant value upside from growth in total addressable market but it is impossible to predict with any precision the ultimate size of the opportunity or PointsBet's degree of success; and
- iGaming comprises most of the market but PointsBet has a limited track record in this segment.

As a result of these issues, there is an extremely wide range of possible value outcomes for PointsBet Canada. At worst, there is a real possibility that the NPVs for PointsBet Canada could be zero if market share remains static and other provinces do not legislate online gambling. On the other hand, PointsBet Canada could plausibly begin generating positive cash flows in the near-to-medium term if its strategy proves successful and potentially even gain market share. However, the NPVs for such an outcome would need to be heavily discounted for execution risk.

The analysis is further complicated by the fact the only valuation parameters that can be calculated for PointsBet Canada are revenue multiples or value per active client. Both metrics are crude measures of value but can still have some use for comparison purposes, at least directionally.

In these circumstances, it is unrealistic to be precise or definitive about value at the current point in time. To avoid a range so wide as to be meaningless, Grant Samuel has adopted a narrower range that balances growth potential and risks, the NPV outcomes of various DCF scenarios (and their likelihoods), market evidence from other methodologies and recent indicative offers for the business. The value is not based on any one methodology or scenario, set of assumptions or specific multiple. It is a broadly based judgement.

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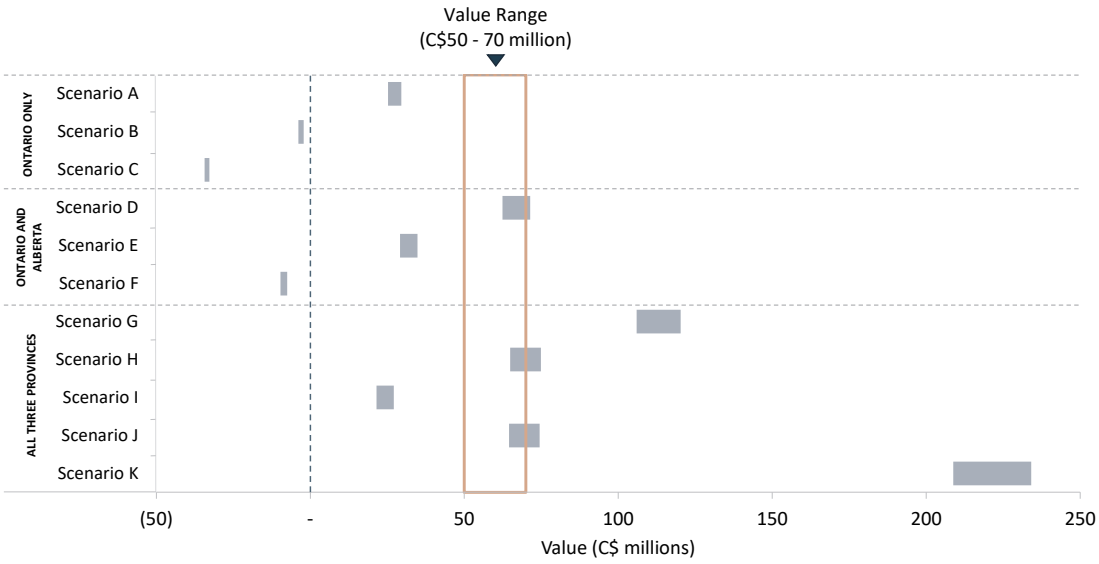
- **PointsBet Canada has been valued at C$50-70 million, which is equivalent to $58.8-82.4 million**

Similar to the analysis for PointsBet Australia, the DCF analysis for the Canadian business also projects after tax cash flows from 1 January 2025 to 30 June 2034 (with a terminal value calculated to represent the value of cash flows in perpetuity using a terminal growth rate of 2.5%) but:

- adopts a top-down approach that considers the size of the total addressable market (in net win) and market share as well as marketing spend, EBITDA margins and capital expenditure;
- applies a discount rate in the range of 13-14%, which is higher than Australia to reflect the magnified impact on NPV (i.e. greater variability) of differences in operating assumptions in a start-up situation; and
- considers a different set of scenarios (see Section 6.4.2 of the full report for a description of the assumptions underlying the scenarios) that reflect the uncertainty of its growth profile including the:
  - anticipated "opening" of new markets in Alberta and British Columbia; and
  - ability of PointsBet Canada to successfully gain and maintain share across Canada.

The NPV outcomes and Grant Samuel's value range for PointsBet Canada are depicted below:

POINTSBET CANADA – NPV OUTCOMES



The DCF analysis illustrates the extremely wide range of possible values for PointsBet Canada.

Scenarios A, B and C represent a relatively conservative outcome where no province other than Ontario legalises online gambling. A scenario where Ontario remains the only operational province would be a major disappointment for the industry, which is banking on unlocking further markets over the next several years. Accordingly, it is not unreasonable that the value range sits above the NPV outcomes for the Ontario-only scenarios.

The remaining scenarios attempt to capture the potential upside in value if the online gambling markets in Alberta (Scenario D) and British Columbia (Scenario G) also go live. Although both scenarios reflect large NPV increases over Scenario A, successfully achieving share gains (of up to 3.5% across the combined sports betting and iGaming markets) will be challenging given the intense competitive environment and genuine uncertainty as to the full scale of investment (in marketing and technology) required to operate successfully in Canada. A potential acquirer would sensibly evaluate

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scenarios under which PointsBet fails to reach its target market share. Scenarios E and F illustrate the downside impact if only Alberta goes live but PointsBet only reaches overall market shares of 3.0% and 2.5% (and Scenarios H and I, in the case all three markets go live).

Grant Samuel has considered the NPV outcomes for all the scenarios in determining its value range. Although no specific weighting was given to each scenario, the value range of C$50-70 million for PointsBet Canada falls towards the lower end of the scenarios' NPV outcomes reflecting the risks associated with achieving the business's full potential.

The value range implies multiples of 1.6-2.3 times FY24 revenue and around $970-1,350 per active client. PointsBet's sale of its United States ("U.S.") business is the only relevant benchmark for value. However, in the case of PointsBet Canada, the limitation on the transfer of its technology assets creates a real practical constraint on divesting the business with its technology from the rest of the group (i.e. it would really just be selling the client base). Accordingly, the bottom end of the range of implied valuation parameters falls below that of the U.S. business ($1,200 per active client and two times revenue).

- **The Scheme is fair and reasonable. Accordingly, the Scheme is in the best interests of PointsBet shareholders in the absence of a superior proposal**

  Grant Samuel has estimated the full underlying value of the equity in PointsBet, including a premium for control, to be in the range $334-388 million, which corresponds to $0.96-1.11 per share. The Scheme consideration of $1.06 per share falls within the value range of $0.96-1.11 per share. Accordingly, the Scheme is fair.

  As the Scheme is fair, it is also reasonable. In any event, there are a number of factors that support the reasonableness of the Scheme:

  - the Scheme consideration of $1.06 per share represents a 28% premium to the price at which PointsBet shares last traded prior to announcement of the Scheme and is slightly lower when assessed against PointsBet's share price in the month prior to the announcement:

POINTSBET – PREMIUM OVER PRE-ANNOUNCEMENT PRICES[5]

PERIOD	POINTSBET PRICE/VWAP	PREMIUM
25 February 2025 – Pre-announcement price	$0.83	28%
1 week prior to 25 February 2025 – VWAP	$0.88	21%
1 month prior to 25 February 2025 – VWAP	$0.86	24%
3 months prior to 25 February 2025 – VWAP	$0.93	14%
6 months prior to 25 February 2025 – VWAP	$0.77	37%
12 months prior to 25 February 2025 – VWAP	$0.63	69%

These premiums are broadly in line with the level usually associated with takeovers of around 20-35%. Although they are lower for the period three months prior to the announcement (during which the share prices may have been affected by media speculation of a potential takeover offer), those prices reflect periods that preceded the release of PointsBet's second quarterly results on 31 January 2025 which caused the share price to drop by over 12% on the day of announcement. On this basis, the period between announcement of the second quarterly results and the last trading day prior to announcement of the Scheme arguably present the "cleanest" picture of an undisturbed share price for PointsBet. The premium over prices in this period broadly fall in the 20-30% range;

[5] VWAP is volume adjusted weighted average price. The calculated VWAP includes all trades as reported in IRESS and is adjusted for the capital returns.

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- it is likely that PointsBet shares, under current market conditions, would trade at prices below the Scheme consideration of $1.06 per share in the absence of the Scheme or some other change of control transaction. The second quarterly results highlighted the growing pains of its Canadian business as well as broader industry headwinds affecting the Australian business. These pressures caused PointsBet to downgrade its FY25 guidance for group revenue and EBITDA. The shares have generally traded between $0.80 and $0.90 since the quarterly results were released in late January 2025; and
- it is conceivable that betr or a third party could make a superior offer for PointsBet:
  - PointsBet has a number of strategic attractions for online bookmakers given its track record and established brand recognition as the fifth largest bookmaker in Australia. Its proprietary in-house technology platform is highly coveted and is a key differentiator from some other domestic peers. The Canadian business, while still loss making, provides further optionality with significant earnings upside;
  - while betr's 19.9% shareholding and MIXI's matching right may discourage or deter other parties from making an offer for PointsBet, they would not necessarily be insurmountable hurdles to a determined third party that was making a sufficiently attractive offer; and
  - the PointsBet Board, as at the date of this report, is still considering whether the Revised betr Proposal could reasonably be expected to lead to a superior proposal. betr has not stated that the Revised betr Proposal is its "best" or "final" offer. There are no structural impediments arising from the Scheme that would prevent betr from enhancing its proposal and submitting a superior offer to the PointsBet Board.

  However:

  - a number of the potential acquirers that already operate in Australia (particularly the larger incumbents) may face revenue dis-synergies that partially offset any other benefits. To date, there has been no in-bound interest other than betr. In addition, they may also face regulatory hurdles due to their existing market positions;
  - the meeting at which PointsBet shareholders will vote on the Scheme is scheduled for 12 June 2025. There should be ample time for an alternative offeror to come forward with a superior offer capable of acceptance. If this does not occur, it would be imprudent for shareholders to vote against the Scheme in anticipation of a subsequent superior offer from a party other than MIXI or betr;
  - the Revised betr Proposal still lacks clarity as to the precise terms of any consideration to be offered to PointsBet shareholders (including the application of the scale-back); and
  - the directors have undertaken to consider the Revised betr Proposal and update shareholders in relation to that proposal (and any implications for the Scheme), including any change of opinion (if any), prior to the meeting on 12 June 2025.

  At the date of this report, there is no alternative proposal that shareholders can accept other than the Scheme. The Revised betr Proposal is non-binding and indicative (and subject to due diligence and other conditions).

As the Scheme is fair and reasonable, it is therefore in the best interests of PointsBet shareholders.

4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual PointsBet shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by PointsBet in relation to the Scheme.

Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Scheme, the responsibility for which lies with the directors of PointsBet. In any event, the decision whether to vote for or against the Scheme is a matter for individual shareholders, based on their own views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

Grant Samuel has prepared a Financial Services Guide as required by the *Corporations Act, 2001* (Cth). The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully
GRANT SAMUEL & ASSOCIATES PTY LIMITED



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FINANCIAL SERVICES GUIDE
AND
INDEPENDENT EXPERT'S REPORT
IN RELATION TO THE PROPOSAL BY
MIXI INC. AND MIXI AUSTRALIA PTY LIMITED

GRANT SAMUEL & ASSOCIATES PTY LIMITED
ABN 28 050 036 372

8 MAY 2025

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GRANT SAMUEL

FINANCIAL SERVICES GUIDE

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The *Corporations Act, 2001* (Cth) ("Corporations Act") requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for PointsBet Holdings Limited ("PointsBet") in relation to the acquisition proposal by MIXI, Inc. and MIXI Australia Pty Limited to acquire all the issued shares in PointsBet ("the PointsBet Report"), Grant Samuel will receive a fixed fee of $275,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 8.3 of the PointsBet Report).

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the PointsBet Report.

Grant Samuel is required to be independent of the Entity to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 March 2011. The following information in relation to the independence of Grant Samuel is stated in Section 8.3 of the PointsBet Report:

> ***"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with PointsBet or MIXI or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.***
>
> ***Grant Samuel had no part in the formulation of the Scheme. Its only role has been the preparation of this report.***
>
> ***Grant Samuel will receive a fixed fee of $275,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.***
>
> ***Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011."***

Grant Samuel has internal complaints-handling mechanisms and is a member of the Australian Financial Complaints Authority, No. 11929. If you have any concerns regarding the PointsBet Report, please contact the Compliance Officer in writing at Level 20, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Australian Financial Complaints Authority at GPO Box 3 Melbourne VIC 3001 or 1800 931 678. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act.

Grant Samuel is only responsible for the PointsBet Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

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Appendix

1 Broker Consensus Forecasts

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1 Details of the Scheme

Background to the Scheme

On 26 February 2025, PointsBet Holdings Limited ("PointsBet") announced that it had entered into a scheme implementation deed with MIXI, Inc. and MIXI Australia Pty Limited (together "MIXI") under which MIXI had agreed to acquire all of the shares in PointsBet by way of a scheme of arrangement (the "Scheme"). The total consideration under the Scheme is $1.06 cash per share.

MIXI is a Japan based diversified consumer technology company that operates across mobile game development, social networking and lifestyle applications as well as professional sports management and sports betting services. It entered the Australian sports betting market in 2022 with the *betM* sports betting application and is licenced in the Northern Territory as a sports bookmaker. It also operates the *TIPSTAR* online sports betting platform in Japan. MIXI is listed on the Tokyo Stock Exchange and, as at 26 February 2025, had a market capitalisation of around ¥270 billion (circa $2.9 billion[1]).

The betr Proposal

On the same day as announcement of the Scheme, BlueBet Holdings Limited (renamed as betr Entertainment Limited or "betr") announced that it had submitted a non-binding indicative offer to merge with PointsBet on 18 February 2025 (the "betr Proposal"). The betr Proposal contemplated a total equity value for PointsBet of $340-360 million (equivalent to around $1.02-$1.09 per share) and annual synergies of at least $40 million through the combination of the two businesses (as betr is also an online bookmaker in Australia). On the following day, the PointsBet Board announced that it had considered the offer and, with input from its advisers, determined that it could not reasonably be expected to lead to a superior proposal to the Scheme.

Betr subsequently released an investor presentation on 6 March 2025 detailing the rationale for its proposal and, on 1 April 2025, reiterated its interest in progressing discussions on the betr Proposal with the PointsBet Board. On 3 April 2025, PointsBet released a letter from its Board to shareholders highlighting core issues it found with the betr Proposal (e.g. funding risks, questions around synergies, timetable for due diligence) and indicated that it did not intend to further pursue the offer, noting that the proposal was not currently capable of acceptance by PointsBet shareholders.

On 28 April 2025, betr announced that it had acquired a 19.9% relevant interest in PointsBet and, on the following day, submitted a further confidential, non-binding, indicative proposal (the "Revised betr Proposal") that at least partially addresses some of the key issues highlighted by the PointsBet Board including:

- funding certainty, as it announced a fully underwritten equity raise of $130 million and credit-approved terms for a $120 million acquisition financing facility. A potential sale of PointsBet's Canadian business for around US$29.6 million (or $45 million) provides further funding support;
- synergy estimates, as it stated that a third party adviser had conducted an outside-in analysis that supports its estimated cost synergies of $40 million per annum from a combination of the two businesses; and
- expedited due diligence process, which has been reduced to three weeks (previously four weeks).

The Revised betr Proposal is subject to completion of satisfactory due diligence and other conditions. betr also announced that it intends to vote against the Scheme.

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[1] All $ are Australian dollars unless otherwise noted (e.g. US$ is United States dollars, C$ is Canadian dollars).

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The PointsBet Board subsequently announced that it is in the process of evaluating the Revised betr Proposal and has sought further clarifications from betr. There is no guarantee that it will be deemed to be a superior proposal or that it would result in a binding transaction. Accordingly, in compliance with its obligations under the Scheme Implementation Deed with MIXI, PointsBet considers that it is in the best interests of its shareholders to proceed with the steps required for implementation of the Scheme while it concurrently assesses whether the revised betr Proposal could reasonably be expected to lead to a superior proposal.

The PointsBet Board also announced that it will keep shareholders updated in relation to the Revised betr Proposal and its implications for the Scheme, including any change of recommendation (if any).

Other Terms of the Scheme

The Scheme is subject to a number of conditions which are set out in full in the Scheme Booklet to be sent by PointsBet to shareholders including approval under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* and approval by PointsBet shareholders under Section 411 of the *Corporations Act 2001 (Cth)* ("Corporations Act") ("Section 411"). PointsBet is also subject to certain gambling regulations in each of the respective jurisdictions in which it operates including in the Northern Territory (where it is licenced as a sports bookmaker to provide wagering services in all States and Territories across Australia) and in Ontario (where it is licenced to offer online sports betting and online casino games within the province).

Other elements of the Scheme include the following:

- PointsBet has agreed to certain exclusivity arrangements (including no-shop, no-talk and no-due diligence restrictions and a notification obligation) that apply during the exclusivity period. The no-talk and no-due diligence provisions are subject to a carve out in respect of the fiduciary and statutory obligations of PointsBet's directors;
- MIXI has been granted matching rights in respect of any competing proposal;
- a break fee of approximately $3.5 million may be payable by PointsBet in certain circumstances (or, in the case of MIXI, a reverse break fee equal to the lesser amount equal to all third party expenses and advisory costs in connection with the Scheme and $2.5 million); and
- PointsBet must ensure that no performance share rights and share options are in existence on the Scheme record date. The PointsBet Board may exercise its discretion to:
    - accelerate the vesting (or cancellation) of all outstanding performance rights and make a cash payment for each vested or cancelled performance share right in the amount of the Scheme consideration; and
    - cause all outstanding options as at the Scheme record date to be cancelled for nil consideration.

Subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of PointsBet shareholders and in the absence of a superior proposal, the Board of PointsBet unanimously recommends that PointsBet shareholders vote in favour of the Scheme. Subject to the same qualifications, each PointsBet director intends to vote, or procure the voting of, shares held or controlled by them in their personal capacity in favour of the Scheme.

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2 Scope of the Report

2.1 Purpose of the Report

Under Section 411, the Scheme must be approved by a majority in number (i.e. more than 50%) of each class of shareholders present and voting (either in person or by proxy) at the meeting, representing at least 75% of the votes cast on the resolution. If approved by PointsBet shareholders, the Scheme will then be subject to approval by the Federal Court of Australia.

Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement has a prescribed shareholding in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether the scheme of arrangement is in the best interests of shareholders subject to the scheme and must state reasons for that opinion.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act or the Australian Securities Exchange ("ASX") Listing Rules, the directors of PointsBet have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Scheme is in the best interests of PointsBet shareholders and to state reasons for that opinion. A copy of the report will accompany the Scheme Booklet to be sent to shareholders by PointsBet. The report does not provide an opinion in relation to the Revised betr Proposal as, at the date of this report, it remains a non-binding, indicative proposal that is not capable of acceptance by PointsBet shareholders.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by PointsBet in relation to the Scheme.

Voting for or against the Scheme is a matter for individual shareholders based on their views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

2.2 Basis of Evaluation

There is no legal definition of the expression "in the best interests". However, the Australian Securities & Investments Commission ("ASIC") has issued Regulatory Guide 111 ("RG111") which establishes guidelines in respect of independent expert's reports. RG111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions (whether by takeover bid, by scheme of arrangement, by the issue of securities or by selective capital reduction or buyback), the expert is required to distinguish between "fair" and "reasonable". A proposal that was "fair and reasonable" or "not fair but reasonable" would be in the best interests of shareholders (being the opinion required under Part 3 of Schedule 8). For most other transactions the expert is to weigh up the advantages and disadvantages of the proposal for shareholders. If the advantages outweigh the disadvantages, a proposal would be in the best interests of shareholders.

The Scheme is economically the same as a takeover offer. Accordingly, Grant Samuel has evaluated the Scheme as a control transaction and formed a judgement as to whether the proposal is "fair and, separately, whether it is reasonable".

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Fairness involves a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. For this comparison, value is determined assuming 100% ownership of the target and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Fairness is a more demanding criteria. A "fair" offer will always be "reasonable" but a "reasonable" offer will not necessarily be "fair". A fair offer is one that reflects the full market value of a company's businesses and assets. An offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if shareholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the offer price. This is commonly the case where the bidder already controls the target company. In that situation, the minority shareholders have little prospect of receiving full value from a third party offeror unless the controlling shareholder is prepared to sell its controlling shareholding.

Grant Samuel has determined whether the Scheme is fair by comparing the estimated underlying value of PointsBet with the Scheme consideration. The Scheme will be fair if the Scheme consideration falls within the estimated underlying value range. In considering whether the Scheme is reasonable, the factors that have been considered include:

- the existing shareholding structure of PointsBet;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of PointsBet shares in the absence of the Scheme; and
- other advantages and disadvantages for PointsBet shareholders of approving the Scheme.

2.3 Sources of Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

Publicly Available Information

- the Scheme Booklet (including earlier drafts);
- annual reports of PointsBet for FY20[2] to FY24;
- half year announcement of PointsBet for 1HY25[3];
- press releases, public announcements, media and analyst presentation material and other public filings by PointsBet including information available on its website;
- brokers' reports on PointsBet
- recent press articles and industry reports on the sports betting and the broader online gambling industry in Australia and Canada from third party research houses; and
- sharemarket data and related information on Australian and international listed companies engaged in the sports betting industry and on acquisitions of companies and businesses in this industry.

Non Public Information provided by PointsBet

- budget for FY25 ("FY25 Budget") prepared by PointsBet management;

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[2] FYXX is the financial year end 30 June 20XX (i.e. FY24 is the financial year ending 30 June 2024).

[3] 1HYXX is the half year ended 31 December 20XX (i.e. 1HY25 is the half year ending 31 December 2024).

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- the four year corporate forecast ("Long Term Plan") for PointsBet's business operations. The Long Term Plan was prepared by PointsBet management and has been approved by the Board of PointsBet; and
- other confidential documents, board papers, presentations and working papers.

In preparing this report, Grant Samuel has held discussions with, and obtained information from, senior management of PointsBet and its advisers.

2.4 Limitations and Reliance on Information

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on a particular factor or analysis. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel's opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances.

This report is also based upon financial and other information provided by PointsBet and its advisers. Grant Samuel has considered and relied upon this information. PointsBet has represented in writing to Grant Samuel that to its knowledge the information provided by it was then, and is now, complete and not incorrect or misleading in any material respect. Grant Samuel has no reason to believe that any material facts have been withheld.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Scheme is in the best interests of PointsBet shareholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.

An important part of the information used in forming an opinion of the kind expressed in this report is comprises the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of PointsBet. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

The information provided to Grant Samuel included the FY25 Budget and Long Term Plan ("the forward looking information"). PointsBet is responsible for the forward looking information. While PointsBet has

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made guidance statements about revenue and EBITDA[4] for FY25, the directors of PointsBet have decided not to include any of the forward looking information in the Scheme Booklet and therefore neither the FY25 Budget nor the Long Term Plan have been disclosed in this report.

Grant Samuel has no reason to believe that the forward looking information was not prepared on a reasonable basis or that the assumptions do not represent a reasonable estimate based on the information available to management of PointsBet. However, the online sports betting and iGaming market in Canada, which represents the major business opportunity for PointsBet, is in its infancy having only started following legislative change in April 2022. Only one province has legalised online sports betting and iGaming and is still in the early stages of development. Further legalisation and roll-out in new provinces is uncertain and there is significant uncertainty as to timing of operational commencement, the terms of commercial agreements and, in some cases, whether the provinces will legalise sports betting at all. There is therefore a very limited track record of critical parameters such as uptake of the product, spending levels (i.e. potential size of the total addressable market) and market shares. Accordingly, projections of future performance for any individual operator are, no matter how carefully constructed using available data points, largely speculative and subject to extreme uncertainty. Grant Samuel has therefore not relied on the specific forecasts included in the forward looking information but has had regard to it in forming its views as to value.

As part of its analysis, Grant Samuel has reviewed the sensitivity of net present values ("NPVs") to changes in key variables. The sensitivity analysis isolates a limited number of assumptions and shows the impact of variations to those assumptions. No opinion is expressed as to the probability or otherwise of those variations occurring. Actual variations may be greater or less than those modelled. In addition to not representing best and worst outcomes, the sensitivity analysis does not, and does not purport to, show the impact of all possible variations to the business model. The actual performance of the business may be negatively or positively impacted by a range of factors including, but not limited to:

- changes to the assumptions other than those considered in the sensitivity analysis;
- greater or lesser variations to the assumptions considered in the sensitivity analysis than those modelled; and
- combinations of different variations to a number of different assumptions that may produce outcomes different to the combinations modelled.

In forming its opinion, Grant Samuel has also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the assessments by PointsBet and its advisers with regard to legal, regulatory, tax and accounting matters relating to the Scheme are accurate and complete;
- the information set out in the Scheme Booklet sent by PointsBet to its shareholders is complete, accurate and fairly presented in all material respects;
- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading;
- the Scheme will be implemented in accordance with its terms; and
- the legal mechanisms to implement the Scheme are correct and will be effective.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.

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[4] EBITDA is earnings before net interest, tax, depreciation and amortisation and significant and non-recurring items. EBITDA includes non-cash costs associated with share based payments.

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3 Overview of the Online Gambling Industry

3.1 Background

The gambling industry encompasses a wide range of distinct activities including:

- lotteries (and other similar products such as keno, bingo and raffles);
- casinos;
- electronic gaming machines ("EGMs") (also called "poker machines", "pokies" or "slots");
- games (such as poker); and
- various forms of wagering such as:
  - racing (thoroughbreds, harness racing and greyhounds) including:
    - on and off course totalisator (or "Tote" or "pari mutuel") betting through official organisations such as TABs[5] in Australia;
    - on course fixed odds betting with individual bookmakers or other licensed operators with booths or outlets at the track such as the State based TABs in Australia); and
    - off course fixed odds betting;
  - sports betting (other than racing); and
  - non sports or "novelty" betting (e.g. election outcomes or other measurable events).

Gambling varies from activities based solely on luck (such as lotteries, EGMs, some casino games) to those involving a lesser or greater element of skill and/or analysis (poker, most wagering) as well as luck.

Traditionally, most gambling took place in licensed venues (e.g. casinos, race tracks) or other officially sanctioned distribution channels such as retail betting shops or licensed premises (hotels and clubs). At the same time, there has always been a considerable level of illegal gambling (e.g. poker dens and "underground" casinos). Indeed, the evolution of TABs in Australia in the 1960's was a government response to high levels of illegal off course betting on horse races.

The advent of the internet[6] has wrought dramatic change across the industry over the past 20 years, which has accelerated over the past ten years with the development of sophisticated applications ("apps") that can be easily used on mobile devices.

Internet based (or "online") gambling occurs across virtually all sectors of the industry. Today, there are:

- online lotteries (e.g. *Lottoland* albeit, strictly, a form of wagering) and online distribution of official lotteries;
- online casino games (such as roulette and blackjack) and online EGMs (pokies or slots) which are generally referred to as "iGaming";
- online poker; and
- online wagering across racing, sports and novelty betting.

In the wagering sector, online betting is now the dominant medium through which clients place bets. For sports betting, it is estimated that over 80% is online (with the balance largely placed in licensed venues) although this varies from market to market. The online share in racing is considerably less because of the

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[5] Totalisator Agency Board (in its original form). These organisations have now been corporatised and privatised (except in Western Australia) but continue to use the *TAB* brand.

[6] Prior to internet based betting there was "phone betting" but its impact was relatively minor.

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significant element of on course betting and betting at licensed venues, particularly in places such as Australia and the United Kingdom.

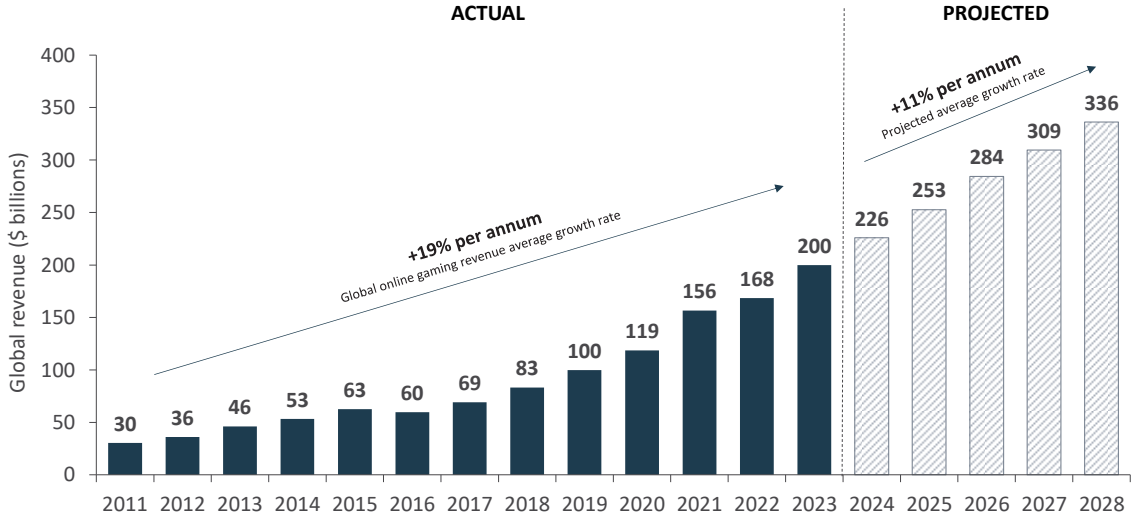
The gambling industry is heavily regulated (including as to accessibility and distribution methods) and heavily taxed, although these elements vary substantially between countries and, in federated jurisdictions, there can also be marked differences between individual states or provinces (e.g. the United States ("U.S.") and Canada). In this respect, there is no global gambling industry, only individual markets albeit there is a significant level of unregulated, offshore based online gambling activity that transcends state or national boundaries.

3.2 Global Demand Trends

Although online gambling is fragmented across different jurisdictions (and subject to local demand and regulatory environments), demand for online betting across both regulated and unregulated markets has collectively been on an upwards trend for over a decade.

In 2023, global online gambling gross win was around $200 billion per year and had grown by approximately 19% per annum since 2011 (maintaining that pace of growth over the last five years) and is expected to continue to grow at robust (albeit slightly softer) rates of around 11% per annum over the next five years:

HISTORICAL AND PROJECTED GLOBAL ONLINE GAMBLING MARKET (2011 TO 2028)



Source: Entain plc ("Entain") and Betsson AB ("Betsson") annual report. Both reports are based on estimates by H2 Gambling Capital

Note: Original data through 2023 was presented in British pounds (and for the forecast period, in euros) and, for simplicity, has been converted to Australian dollars based on the exchange rate at the end of the calendar year.

The robust growth of the global online gambling market has been supported by:

- improved accessibility, particularly with increasing rates of smartphone access globally;
- legalisation of online gambling (e.g. in the U.S., Canada and Germany in recent years), which vastly expanded the total addressable market; and
- migration to online gambling outlets following the COVID-19 pandemic lockdowns which resulted in the shutdown of physical casinos as well as retail shops selling lottery tickets, clubs, restaurants and gaming parlours home to slot machines.

Future total global growth is underpinned by the opening of new markets and the rapid growth of markets that are currently in the early stages of development. Mature markets (e.g. United Kingdom and Australia) are expected to grow at much more modest rates than the global growth rate of 11% per annum.

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Sports betting has been one of the biggest beneficiaries from the emergence of online gambling. Its wagers accounted for roughly 8% of land-based revenues (e.g. at casinos, where sports betting is common in some markets) but well over 30% of online gambling before the pandemic (and its shift towards online channels increased its share of online gambling to around to around 50% by 2023)[7].

One area that has particularly flourished within sports betting is "in-play" betting, which allows wagers to be placed during a game (often during specific points or intervals). A key draw for in-play betting is its immersive aspect as odds and outcomes are constantly changing throughout a game. Bettors can adjust (or place new) bets as the game evolves, feeding into the excitement or engagement of its use. However, the penetration of "in-play" betting varies across markets. In the U.S., in-play betting is estimated to represent around half of all sports betting. Other markets in Europe have seen in play bets account for up to 70% of all sports betting[8]. Canada has similarly high levels of penetration of "in-play" betting. In Australia, however, its use is constrained by the requirement for "in-play" bets to be completed by telephone or in-venue (online "in-play" betting is prohibited).

Online casinos or iGaming have also been a key driver of the growth in online gambling. Unlike bricks-and-mortar casinos, iGaming offer a much wider breadth of gaming content that includes casino games (e.g. blackjack, roulette and poker) to modernised and digital variations (e.g. live dealer games, virtual slots, etc.) and much better accessibility (no dress codes, as may be required in some physical venues).

Due to the varying regulatory frameworks in each jurisdiction, each market may be at different stages of maturity and growth. On one end, Australia has a mature and regulated online gambling market but accounts for only 6% of global online gambling gross win. On the other hand, the regulated market for online gambling in Canada is much smaller (about half the size of Australia) but is at a relatively nascent stage as it has only recently been legalised and commenced operations in one province.

3.3 Industry Economics

The following schematic depicts the way in which wagering activity generates profits for industry participants:

GAMBLING INDUSTRY – ILLUSTRATIVE DIAGRAM OF PROFIT DRIVERS

ITEM	KEY STATISTIC	EXPLANATION
Turnover (or "handle")		The amount bet by clients on an event
Gross Gaming Revenue or Gross Win	Gross Win as a % of Turnover	The loss on bets incurred by clients
Net Win	Net Win as a % of Turnover	The gross win less all promotional bets given to clients (e.g. bonus bets, early payouts)
Net Revenue		Net Win less GST (in Australia) Effectively the revenue of the operator
Gross Margin	Gross Margin as a % of Net Revenue	Net revenue less direct "costs of sale" such as gambling taxes, fees to sports and racing bodies, fees to partners, data fed costs, payment processing costs and, in some cases, technology costs)
Contribution	Contribution as a % of Net Revenue	Gross Margin less marketing costs
EBITDA	EBITDA as a % of Net Revenue	Contribution less technology costs, employee costs and administration and other costs

Source: Grant Samuel analysis

[7] Source: H2 Gambling Capital, as referenced in The Economist, How sports gambling became ubiquitous, December 2024.

[8] Source: Optimove Insights' iGaming pulse

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The level of profitability achieved depends on a range of factors including:

- competitiveness of the market. Highly competitive markets will constrain profitability as a result of pressures across the board:
  - tighter odds (i.e. lower gross win rates). A more heavily contested market would often push bookmakers to lower gross win rates to attract bettors to their betting platform;
  - higher marketing expenses and need for more promotional bets (lower net win rates) to maintain or improve market share. For instance, a higher level of generosity[9] (which represents the level of promotional activity needed to drive increased turnover and therefore gross wins) is often required in more competitive markets to compensate for its reduced effectiveness in these environments; and
  - lower market shares impacting EBITDA margins because of the largely fixed nature of other (non marketing) operating costs;
- structure of the market. A market that is more heavily weighted towards racing (which has historically attracted higher gross win rates) than sports betting would typically benefit from the higher gross win rates and net win rates, but the net impact to profitability is often muted by the higher levels of ongoing licence fees and other costs attached to racing such as product fees.

  Similarly, the type of gambling vertical could also affect gross win rates. For instance, iGaming tends to carry lower net win rates than either sports betting or racing.

  Profitability between markets is also affected by factors such as taxes and partnership arrangements. In certain jurisdiction (e.g. a number of States in the U.S.), market access must be "tethered" which means that sports betting licences have only been issued to entities that are currently licensed in that State to offer gambling services (often bricks-and-mortar institutions such as casinos and racetracks). These licensees can in turn, appoint sublicensees to operate the betting service (referred to as "skins") thus creating an additional layer of costs (or profit sharing) for an operator; and
- the maturity of the market. For example, there are substantial differences between the emerging regulated markets in Canada and a mature market such as Australia.

  Net win rates can vary substantially but are generally targeted at 10% or more in Australia (and are typically around 2-3% lower than gross win rates). However, in new/developing markets net win rates are generally at a larger discount from gross win (more than than 5%) for several reasons including:
  - the greater use of promotions to attract new clients, encourage betting activity and grow the market; and
  - the client base at the outset tends to comprise more experienced bettors with the more casual (and profitable) clients only joining over time.

  In Canada, net win rates are materially lower than gross win rates even as the market has started to mature because of the highly competitive nature of the market (>50 operators) and the much higher contribution from iGaming. Some of the differential in net win rates between Canada and Australia can also be explained by the dominance of racing in Australia which, as outlined above, tends to carry higher gross win margins and net win margins than sports and iGaming.

  EBITDA margins in mature markets are typically in the order of 20-30% for an established operator with a material market share. However, in new/developing markets, losses are usually incurred in the early years as marketing expense is incurred in advance of gaining clients and other costs are largely

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[9] Generosity is calculated as Net Win minus Gross Win. It represents the level of promotional activity (i.e. generosity) needed per dollar of Gross Win. A higher generosity is generally viewed as less favourable to the bookmaker as more incentives need to be "given away". Generosity efficiency is calculated as Generosity divided by Gross Win.

fixed (or subject to step changes), which also impacts EBITDA margin until the market reaches some level of maturity.

Marketing is a crucial part of the industry and is a key driver of market share. It usually represents around 20-30% of net revenue once the market reaches maturity but may be substantially lower for those with existing client bases or a significant share of the market. The main channels utilised by online wagering companies include:

- mainstream media (radio, television) encompassing advertising and in-program promotions. These arrangements may involve comprehensive partnerships with media organisations covering certain sports or events;
- digital advertising channels (e.g. Google, Facebook), which has become an increasing focus for operators because of its ability to be better "targeted";
- sponsorships of, or partnerships with, sports teams or events; and
- brand ambassadorships by high profile sportspeople or celebrities.

In this context, it should be noted that there is a significant level of interconnection between marketing and other client focussed actions such as loyalty programs and promotions (bonus bets, etc.). They are all levers for attracting and retaining clients as well as increasing betting activity.

In general terms, the key to the economics of an online wagering business is to ensure that the client lifetime value (net revenue per client generated over years of activity) exceeds the client acquisition cost (marketing and related expenditure to gain a new client) by a sufficient margin to cover other expenses and produce an attractive return on capital. While minimising client acquisition unit costs is paramount, higher costs can be offset through effective strategies that enhance lifetime value (longer duration or higher levels of activity). Each operator will have its own approach to optimising these parameters.

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4 Profile of PointsBet

4.1 Overview

Background

PointsBet is an online corporate bookmaker, offering a wide range of sports and racing wagering products and services directly to its clients through its own cloud-based platform.

The company was founded in 2015 with the aim of offering new ways for Australian bettors to place bets on sporting activities. At the time, most Australian bookmakers were offering largely similar wagering products and the company's founders believed that there was an opportunity for a differentiated product offering to be introduced to the market. In February 2017, PointsBet was granted an Australian sports bookmaker licence by the Northern Territory Racing Commission and launched its Australian operations with a unique betting product called *PointsBetting*. The company also had a strong focus on U.S. sports. Over the following years, it expanded its product offerings (e.g. fixed odds racing and fixed odds sports) and grew into a full-service online corporate bookmaker, offering sports, racing and novelty betting products.

From the outset, PointsBet saw the potential to utilise its platform in the potentially much larger U.S. market, which was on the cusp of legalising sports betting. The overturning of the Professional and Amateur Sports Protection Act in 2018 (which had deemed the operation of a sports betting enterprise illegal nationwide) meant that individual states could now legally introduce legislation to permit sports betting. PointsBet sought to capitalise on this market opportunity by:

- in July 2018, securing market access to operate as an online bookmaker in the State of New Jersey (launching in January 2019);
- in April 2019, launching an initial public offering to raise capital to fund its growth in the U.S. (expanding into three other states and securing market access rights to eight other states);
- in August 2019, entering into a 20-year partnership with Penn National Gaming (later renamed as Penn Entertainment, Inc. or "Penn") a casino operator and social gaming provider in the U.S. The partnership granted PointsBet market access to operate its own branded online sportsbook and gambling operations in five additional states;
- in November 2020, entering into a strategic partnership with NBCUniversal Media, LLC ("NBCUniversal"), one of the largest media and entertainment businesses in the U.S., to accelerate its growth across the country; and
- in March 2021, acquiring Banach Technology Limited, which develops technology solutions for sports betting markets (and later developed the *OddsFactory* technology assets for PointsBet, a particularly powerful tool in the North American live betting market which supports in-play and same-game parlay products and the cash out features.

However, establishing a foothold in the U.S. market proved to be extremely challenging. The attractiveness of the new market opportunity drew in a number of well capitalised operators that already had scale and an established presence in the U.S. (albeit in adjacent markets such as daily fantasy sports or media channels). The state-by-state market environment required significant capital and operating costs (on top of the committed minimum marketing spend under the NBCUniversal partnership). Ultimately, the company determined that there was no clear pathway for PointsBet to begin generating positive cash flows from its U.S. business in the near term. As a result, PointsBet sold its U.S. business in May 2023 to focus on its Australian business and its newly established Canadian business (launched in the prior year).

Today, PointsBet has approximately 330 employees across Australia, Canada and India. PointsBet is an ASX listed company and, prior to announcement of the Scheme, had a market capitalisation of $275 million.

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Overview of Business Operations and Assets

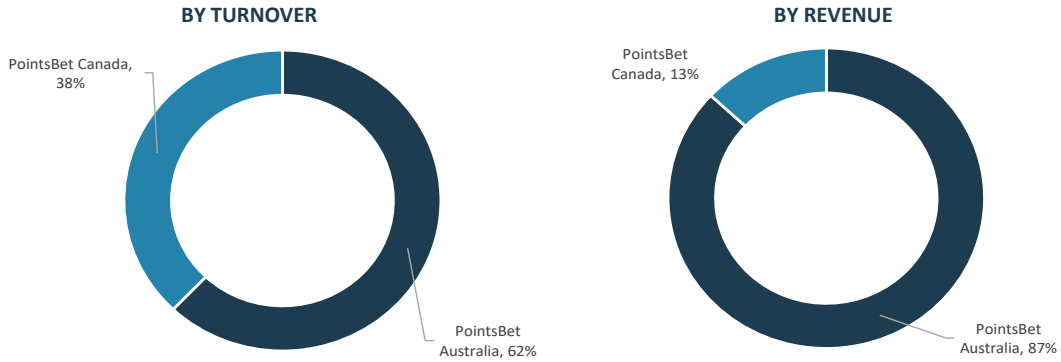
TRADING BUSINESSES

PointsBet's business operations are managed and reported on a geographical basis through:

- **PointsBet Australia**, which is a relatively mature business with a track record of nearly eight years of operations and comprises its racing and sports betting operations in Australia; and
- **PointsBet Canada**, which is an early stage business that was launched in 2022 and comprises its sports betting and iGaming operations in Canada.

The majority of PointsBet's turnover and revenue is generated by PointsBet Australia, which represented around 62% of group turnover (i.e. handle, the amount bet by clients on events) and 85% of group revenue as well as virtually all group EBITDA (as PointsBet Canada is loss making at the EBITDA level). The revenue contribution of PointsBet Australia is higher than its turnover contribution due to the lower net win margin for online gambling in Canada (particularly as a new and developing market):

POINTSBET – CONTRIBUTION BY SEGMENT (1HY25)



Source: PointsBet

PointsBet's business operations in Australia and Canada are described, and their operating performance is discussed, in Sections 5.1 and 5.2 of this report.

IN-HOUSE TECHNOLOGY PLATFORM

PointsBet's Technology segment holds the group's in-house cloud-based technology platform (i.e. betting platform) and is responsible for software development. The platform is central to PointsBet's business and is supported by a global team that operates on a "24/7 follow-the-sun" operating model. The technology platform (and supporting functions) covers customer service, trading and risk management, technology services, payments and fraud, product engineering and data science (across both customer and sports).

The in-house technology platform is often viewed as a point of differentiation for PointsBet from its peers (many of which rely on third party or white label platforms). In particular, it enhances PointsBet's ability to:

- develop new products, particularly given the enhanced control, flexibility and faster "speed to market". Access to these capabilities is crucial, especially with the rise of in-play betting products. In-play betting often is a more complex and technologically demanding product given the large amount of real time data that needs to be processed and packaged to create unique and attractive betting products. Bookmakers rely on traders to create and monitor markets, especially for in-play bets. A challenge faced by some bookmakers that outsource these capabilities is the difficulty in scheduling sufficient traders and resources during periods of high demand (i.e. for the same game). PointsBet's in-house technology platform reduces this operational risk.

  PointsBet's *OddsFactory* proprietary product generation platform is a critical asset in developing these complex in-play betting products as it uses data to power real time execution of mathematical models to

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predict outcomes of future events and produce differentiated betting products. Although *OddsFactory* (along with the rest of the Banach technology assets) were sold as part of the exit from the U.S. business, PointsBet was granted a perpetual and royalty free licence to exploit these assets in any market outside the U.S. (until an 18-month lockout period expires in October 2025). Other products that have been brought to market include multi bets (i.e. combination of several different selections within a single wager) and same-game multi bets such as the *Five for $25*.

PointsBet Australia also offers unique products that are not offered by any other corporate bookmaker in Australia. The most prominent of these for many years has been *PointsBetting*, which is available on all sports across major sporting leagues including NBA, NFL, NHL and MLB in the U.S. and AFL, NRL and BBL in Australia[10]. *PointsBetting* allows clients to increase their winnings from a bet based on the spread of the underlying outcome. It also results in increased losses for losing bets; and

- coordinate marketing and promotional activities, allowing PointsBet to deliver targeted promotions to its clients. In jurisdictions such as Canada, where the legislation and operating requirements could vary across provinces (as they are sanctioned), a single technology platform can be useful in facilitating access for clients through a single application that is integrated across markets.

The Technology segment charges licence fees to the two trading businesses and does not earn external revenue.

OTHER

PointsBet also reports a Corporate segment, which includes all unallocated corporate administrative costs (e.g. Board, finance, legal, human resources, property) that are not allocated to the trading businesses.

4.2 Financial Performance

Historical Financial Performance

The historical financial performance of PointsBet for FY20 to FY24 and 1HY25 is summarised below:

POINTSBET – HISTORICAL FINANCIAL PERFORMANCE ($ MILLIONS)

	USA INCLUDED IN CONTINUING OPERATIONS		USA EXCLUDED FROM CONTINUING OPERATIONS			
	FY20 ACTUAL	FY21 ACTUAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
Total revenue	**75.2**	**194.7**	**195.4**	**210.3**	**245.5**	**124.4**
EBITDA	**(39.7)**	**(162.3)**	**(26.2)**	**(57.0)**	**(3.4)**	**(5.9)**
Depreciation and other amortisation	(5.1)	(12.2)	(9.8)	(28.0)	(27.5)	(11.7)
EBIT[11]	**(44.8)**	**(174.6)**	**(36.0)**	**(84.9)**	**(30.9)**	**(17.6)**
Net interest expense	1.1	(3.2)	1.4	8.0	3.0	0.2
Significant and non-recurring items	2.3	(10.0)	14.1	(30.8)	(11.6)	0.2
Income tax expense	-	(0.0)	-	(0.1)	(0.2)	-
NPAT[12] from continuing operations	**(41.5)**	**(187.7)**	**(20.6)**	**(107.9)**	**(39.6)**	**(17.2)**
NPAT from discontinued operations	-	-	(247.1)	(168.4)	(2.7)	-
NPAT attributable to PointsBet shareholders	**(41.5)**	**(187.7)**	**(267.7)**	**(276.3)**	**(42.3)**	**(17.2)**

Source: PointsBet and Grant Samuel analysis

[10] National Basketball Association, National Football League, Major League Baseball, National Hockey League, Australian Football League, National Rugby League and Big Bash League (cricket).

[11] EBIT is earnings before net interest, tax and significant and non-recurring items. EBIT includes non-cash costs associated with share based payments.

[12] NPAT is net profit after tax.

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POINTSBET – HISTORICAL FINANCIAL PERFORMANCE ($ MILLIONS) (CONTINUED)

	USA INCLUDED IN CONTINUING OPERATIONS		USA EXCLUDED FROM CONTINUING OPERATIONS			
	FY20 ACTUAL	FY21 ACTUAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
STATISTICS						
Basic earnings per share	*(29.9)*	*(97.3)*	*(8.1)*	*(35.3)*	*(29.9)*	*(5.2)*
Dividends per share	-	-	-	-	-	-
Total revenue growth	*193.5%*	*158.9%*	*0.4%*	*7.6%*	*16.7%*	*5.7%*
EBITDA margin	*-52.8%*	*-83.4%*	*-13.4%*	*-27.1%*	*-1.4%*	*-4.7%*
EBIT margin	*-59.6%*	*-89.7%*	*-18.4%*	*-40.4%*	*-12.6%*	*-14.1%*

Source: PointsBet and Grant Samuel analysis

PointsBet's historical consolidated financial performance does not provide a useful indication of the underlying performance of its current business operations given the substantial investment committed to executing its North American growth strategy (which accounted for nearly $700 million in losses over the period) and the financial impact of the divestment of its U.S. business in FY24.

The group's historical financial performance since FY22 presents a "cleaner" picture of the financial performance of PointsBet's current business operations (as the U.S. business was classified as a discontinued operation and its financial performance was separately disclosed) but it still blends the very different performance of the Australian and Canadian businesses. Analysis of the financial performance of PointsBet's continuing operations since FY22 shows that it has delivered strong revenue growth each year as a result of the:

- ramp-up in operations of PointsBet Canada which, despite its much smaller size, accounted for the majority of the uplift in revenue as it increased market share in a rapidly developing sports betting and iGaming market in Ontario; and
- improved product offering and customer mix in PointsBet Australia, which benefited from the influx of lower stakes but higher margin mass market clients (particularly in 1HY25) as well as improving net win margins across its sportsbook.

Despite the step-up in revenue, PointsBet's continuing operations (as a whole) have remained EBITDA loss making in each of the last three and a half years and have generated over $185 million in NPAT losses over that period (although the losses have progressively narrowed). Losses attributable to significant and non-recurring items accounted for only around $30 million of the losses (pre tax) during the period:

POINTSBET – SIGNIFICANT AND NON-RECURRING ITEMS ($ MILLIONS)

	USA INCLUDED IN CONTINUING OPERATIONS		USA EXCLUDED FROM CONTINUING OPERATIONS			
	FY20 ACTUAL	FY21 ACTUAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
Impairment loss	--	(1.3)	--	(15.2)	(2.2)	--
Net foreign exchange gain / (loss)	2.3	(8.7)	14.1	6.1	(9.4)	0.2
Performance related share based expense	--	--	--	(16.3)	--	--
Other	--	--	--	(5.5)	-	-
Total significant items before tax	**2.3**	**(10.0)**	**14.1**	**(30.8)**	**(11.6)**	**(1.2)**

Source: PointsBet and Grant Samuel analysis

Significant and non-recurring items primarily relate to impairment losses (most of which were incurred in FY23 in relation to an internally developed betting platform which specifically supported PointsBet's U.S. business that was sold) and foreign exchange gains and losses. PointsBet also recognised a one-off charge to performance related share expense in FY23 due to the cancellation of outstanding performance share rights following the sale of the U.S. business (accelerating recognition of the expense into the FY23 results).

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The historical financial performance of PointsBet Australia and PointsBet Canada is out in Sections 5.1 and 5.2, respectively, of this report.

Outlook

PointsBet provided guidance on its group revenue and EBITDA in conjunction with the release of its FY24 results and updated this guidance on announcement of its second quarterly results on 31 January 2025. The update to FY25 guidance noted that it expects:

- group revenue to be in the range of $260-270 million, reflecting strong growth in mass market segment and improved net win yields; and
- normalised EBITDA[13] to be between $11 million and 14 million, reflecting strong gross profit margins and operating leverage benefits from the group's largely fixed cost base while maintaining its level of marketing and product investment to drive growth.

This guidance represented a downgrade from earlier FY25 guidance, largely due to underperformance of the Canadian business.

PointsBet also expects investment requirements across marketing, technology and product to stabilise as the group has reached an important inflection point (as it transitions from FY24 into FY25).

To provide an indication of the expected future financial performance of PointsBet, Grant Samuel has considered brokers' forecasts for PointsBet (see Appendix 1) which are summarised below:

POINTSBET – FORECAST FINANCIAL PERFORMANCE ($ MILLIONS)

	FY24 ACTUAL	FY25 MIDPOINT OF GUIDANCE	FY26 MEDIAN BROKERS' FORECAST
Net revenue	245.5	265.0	297.9
Normalised EBITDA	(1.1)	12.5	31.1
Normalised EBIT	(28.6)	(10.0)	11.0

Source: Grant Samuel analysis (see Appendix 1)

Normalised EBITDA excludes share based payments of $2.3 million in FY24 and approximately $3 million in FY25 and FY26. The FY26 median brokers' forecasts are broadly in line with the Long Term Plan but do not necessarily reflect current management expectations.

[13] Normalised EBITDA, as reported by PointsBet, is statutory EBITDA excluding share options expense.

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4.3 Financial Position

The financial position of PointsBet as at 30 June 2024 (audited) and 31 December 2024 (reviewed by PointsBet's external auditor) is summarised below:

POINTSBET - FINANCIAL POSITION ($ MILLIONS)

	AS AT 30 JUNE 2024 AUDITED	AS AT 31 DECEMBER 2024 REVIEWED
Debtors and prepayments	6.5	6.7
Trade and other payables	(40.5)	(39.1)
Player cash accounts (net)	1.7	1.5
Rewards liability	(2.0)	(2.1)
Pending bets	(1.7)	(1.5)
Current provisions (including employee provisions)	(3.4)	(3.6)
Net working capital	**(39.4)**	**(38.1)**
Plant and equipment (net)	0.3	0.2
Intangible assets (net)	30.4	27.8
Right of use assets	2.0	2.0
Other liabilities (net)	(0.2)	(0.2)
Total funds employed	**(6.9)**	**(8.3)**
Cash and deposits	28.4	15.4
Borrowings	-	-
Lease liabilities	(2.2)	(2.3)
Net cash (including lease liabilities)	**26.2**	**13.1**
Equity attributable to PointsBet shareholders	**19.3**	**4.8**
STATISTICS		
Shares on issue at period end (million)	*325.5*	*331.4*
Net assets per share	*5.92c*	*1.45c*
NTA[14] per share	*(3.41)c*	*(6.93)c*

Source: PointsBet and Grant Samuel analysis

PointsBet operates with a negative working capital as revenue is primarily received in cash while a significant proportion of payments are made over longer timeframes (e.g. wagering taxes and payments to sports and racing bodies). At 31 December 2024, working capital included $15.6 million from player cash accounts that can be redeemed in cash at any time. These liabilities are more than offset by cash on hand from customer deposits (net positive balance of $1.5 million). The differences is due to pending bets, which are not available for withdrawal until the future bet is settled.

Intangible assets relate to capitalised technology costs. Software and betting platform development costs are capitalised and amortised on a straight line basis over three years.

PointsBet does not have any loans or borrowings. Net cash includes only unrestricted corporate cash and excludes cash that has been segregated and held in player accounts as these balances have been included in net working capital (as noted above).

[14] NTA is net tangible assets, which is calculated as net assets less intangible assets.

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4.4 Cash Flow

PointsBet's cash flow for FY20 to FY24 and 1HY25 is summarised below:

POINTSBET - CASH FLOW ($ MILLIONS)

	USA INCLUDED IN CONTINUING OPERATIONS		USA EXCLUDED FROM CONTINUING OPERATIONS			
	FY20 ACTUAL	FY21 ACTUAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
EBITDA	(39.7)	(162.3)	(26.2)	(57.0)	(3.4)	(4.5)
Changes in working capital and other adjustments	7.7	21.3	(7.0)	21.5	5.7	0.9
Capital expenditure	(20.2)	(35.0)	(14.4)	(19.1)	(15.9)	(9.7)
Operating cash flow	**(52.3)**	**(175.9)**	**(47.6)**	**(54.6)**	**(13.7)**	**(13.2)**
Net interest received	1.0	0.2	-	7.5	3.2	0.2
Share issues and exercise of options (net of costs)	118.7	341.5	519.1	0.7	0.9	-
Acquisitions (net)	(0.1)	(30.5)	(0.3)	-	-	-
Other	(1.0)	(12.3)	(4.4)	(2.9)	(0.0)	-
Net cash generated from continuing operations (used)	**66.3**	**122.9**	**466.9**	**(49.3)**	**(9.7)**	**(13.0)**
Discontinued operations	-	-	(257.7)	(226.7)	-	-
Net proceeds from sale of discontinued operations	-	-	-	-	293.3	-
Capital return	-	-	-	-	(442.4)	-
Net cash generated (used)	**66.3**	**122.9**	**209.3**	**(276.0)**	**(158.8)**	**(13.0)**
CASH MOVEMENTS						
Net cash – opening	*67.1*	*135.4*	*245.5*	*472.7*	*194.6*	*28.4*
Effects of exchange rate movements	*1.9*	*(10.7)*	*18.9*	*(1.4)*	*(10.0)*	*0.0*
Net cash – closing	*135.4*	*245.5*	*472.7*	*194.6*	*28.4*	*15.4*

Source: PointsBet and Grant Samuel analysis

Analysis of PointsBet's historical cash flow is complicated by the sale of its U.S. business in FY24. Although the business was classified as a discontinued operation in FY22, it is not possible to disaggregate the cash flows for PointsBet's continuing operations. For example, the cash flows from FY22 include proceeds from share issuances which would have been earmarked primarily for the U.S. expansion (but may have still been utilised in other parts of the business). In this respect, the cash flow from FY23 onwards is the most useful reference points to assess the cash flow profile of PointsBet's current business operations (but provide a limited history from which any trends can be analysed). PointsBet previously published a "normalised" cash flow bridge to account for these changes but it does not extend beyond FY23 and therefore does not represent a longer term historical reference for its continuing operations.

In any event, the sale of the U.S. business reset PointsBet's capital position as the group:

- received $293 million (i.e. US$225 million, in two tranches plus agreed adjustments); and
- returned $442 million of capital to shareholders in two separate tranches (to align with the completion milestones and receipt of the sale proceeds) in September 2023 and May 2024.

The return of capital exceeded the net proceeds as PointsBet had maintained surplus corporate cash reserves to support its roll-out strategy in the U.S.

Since the sale of the U.S. business, PointsBet has reduced its cash burn rate as losses at the EBITDA level have narrowed and the group nears breakeven. However, the group has continued to generate net operating cash outflows in each of the last two and a half years as it continues to invest in software development (approximately $15-20 million per annum) and marketing spend (albeit at reduced levels from prior years).

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4.5 Taxation Position

Under the Australian tax consolidation regime, PointsBet and its wholly owned Australian resident entities have elected to be taxed as a single entity.

At 30 June 2024, PointsBet had recognised carried forward income tax losses of $64.1 million and research and development tax offsets of $14.4 million in Australia. An additional $75.7 million in carried forward income tax losses is available in Canada but has not been recognised. PointsBet also had carried forward Australian capital losses of approximately $150 million, which were not recognised due to the uncertainties relating to their future utilisation.

At 30 June 2024, PointsBet had no accumulated franking credits.

4.6 Capital Structure and Ownership

Capital Structure

As at 26 February 2025, PointsBet had the following securities on issue:

- 331,725,272 ordinary shares;
- 16,079,446 performance share rights over unissued ordinary shares; and
- 933,334 options over unissued ordinary shares.

PointsBet also operates:

- a short term incentive ("STI") plan under which senior executives may be entitled to receive a cash award (or restricted share) for achievement of established annual performance objectives; and
- a long term incentive ("LTI") plan, plan under which senior executives may receive equity awards (e.g. performance share rights or options) on the satisfaction of long-term performance conditions over a four-year performance period. No new equity awards were granted by the Board under the LTI plan in FY24 as the Board had determined to establish a new fit for purpose LTI plan for FY25.

Performance share rights and options have no dividend entitlements or voting rights. However, each performance share right entitles the participant to receive one PointsBet ordinary share at a future time for nil consideration subject to achievement of performance hurdles, service conditions and vesting periods.

Each option on issue is exercisable into one ordinary share on vesting and payment of the exercise right. Options lapse on termination of employment or on the expiry date.

Ownership

As at 30 June 2024, there were over 18,000 registered shareholders in PointsBet (although approximately 10,500 held less than a marketable parcel).

PointsBet has received notices from the following substantial shareholders:

POINTSBET – SUBSTANTIAL SHAREHOLDERS

SHAREHOLDER	DATE OF NOTICE	NUMBER OF SHARES	PERCENTAGE[15]
betr	28 April 2025	66,013,329	19.9%
Pictet Asset Management (Singapore) Pte Ltd	7 April 2025	19,794,787	5.96%
Raphael Kain and other Samson Rock entities	29 April 2025	16,845,298	5.08%
EasyGo Entertainment Pty Limited ("EasyGo")	10 December 2024	16,317,547	5.01%

Source: PointsBet

[15] Based on PointsBet shares on issue as at the date of notice.

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Betr is now the largest shareholder in PointsBet following the acquisition of the relevant interests from two of PointsBet's largest shareholders (i.e. SIG Sports Investment Corporation, which previously held a 11.6% interest, and Penn (via its subsidiary Penn Interactive Ventures LLC), which held a 5.1% interest) as well as a special crossing of shares.

Other investors include:

- institutional investors and arbitrage funds, such as Pictet Asset Management and Samson Rock, both of which became substantial shareholders following announcement of the Scheme; and
- strategic investors such as EasyGo, an Australian media and entertainment company with investments across gaming, wagering and technology (including online casino *Stake.com*). Although EasyGo has previously signalled its intention to enter the Australian gambling market, it does not have a wagering licence in Australia.

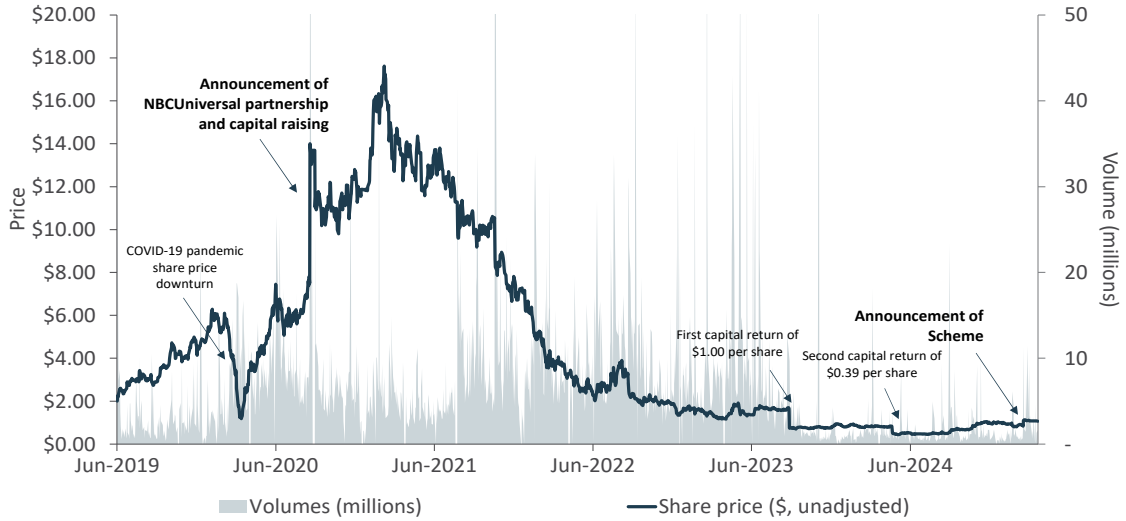
4.7 Share Price Performance

Share Price History

Analysis of the historical share price performance of PointsBet shares is not straightforward due to the impact of dilutive capital raisings completed since June 2019 (nearly $1 billion in equity raised). The analysis is further complicated by the return of capital following the sale of the U.S. business (completed in two tranches in September 2023 and May 2024, and represented nearly 80% of its share price at the time).

The following graph illustrates the movement in the PointsBet unadjusted share price and trading volumes since its initial public offering on 11 June 2019:

POINTSBET – UNADJUSTED SHARE PRICE AND TRADING VOLUME
11 JUNE 2019 TO 30 APRIL 2025



Source: IRESS

Following listing at $2.00 per share at its initial public offering, PointsBet shares delivered a robust performance over most of the first two years of trading as its U.S. expansion strategy gained momentum. Within the first six months of trading, the share price had more than tripled, trading as high as $6.65 in mid-January 2020. Although the upwards trajectory of the share price was interrupted by a sharp collapse in March 2020 associated with the COVID-19 pandemic (which had devastating effects for the global economy and also resulted in the suspension of the majority of sporting events), PointsBet shares subsequently continued their upwards trend. The announcement of the strategic partnership with

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NBCUniversal sent the share price even higher (closing at $14.00 on 28 August 2020, up over 85% from the prior day close) and it traded as high as around $18.20 in early 2021.

Since peaking in February 2021, the PointsBet share price experienced a long and largely uninterrupted decline that continued for the next two years. Heavy spending on its U.S. growth strategy placed increased strain on its cash flow. Competition in the newly unlocked betting markets in the U.S. attracted well capitalised and larger international gaming and media companies that drove customer acquisition costs higher. PointsBet undertook a series of capital raisings to fund its growth strategy and sustain its balance sheet. A broader de-rating of unprofitable technology stocks in a rising interest rate environment placed further pressure on its share price. By the end of 2022, the share price had fallen to under $1.50.

Announcement of the proposed sale of the U.S. business on 15 May 2023 did not bring immediate relief to the share price, which fell by over 20% on the day following the announcement and traded in the range $1.40 and 1.60 over the next three months despite a competitive (and public) sale process. The share price began to gradually trade higher after PointsBet shareholders approval of the sale of the U.S. business (and a return of capital following the sale) on 29 August 2023. In particular:

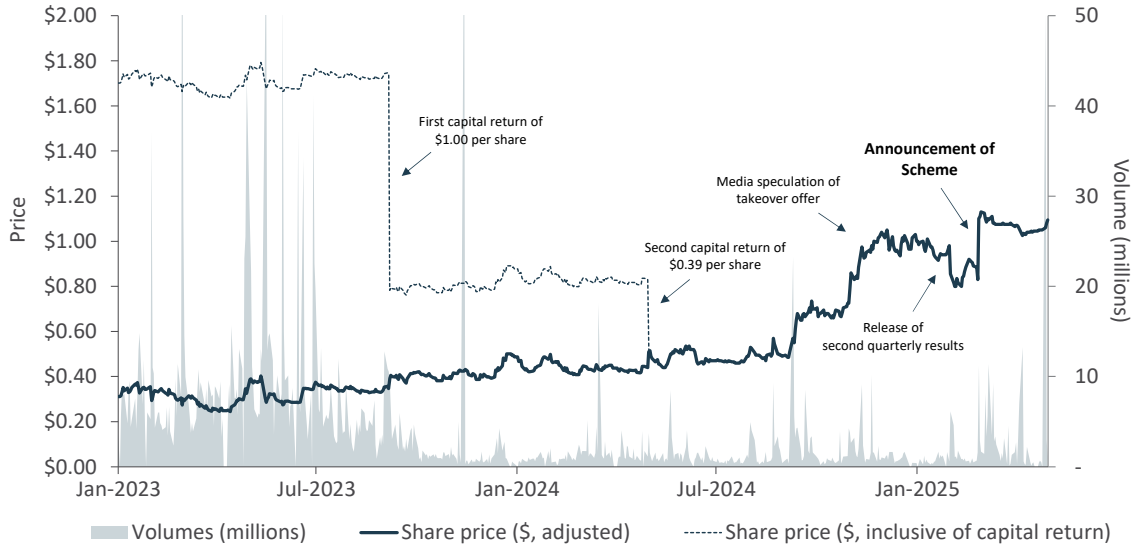
- on 6 September 2023 (the date of the initial capital return), the PointsBet share price closed at $0.72 (equivalent $1.72 prior to the initial capital return of $1.00 per share); and
- on 30 April 2024 (the date of the final capital return), the PointsBet share price closed at $0.46 (equivalent to $0.85 prior to the final capital return of $0.39 per share).

The gradual uplift in the share price since then reflects in part the improving financial position of the company as PointsBet demonstrated progress on its strategy for Australia and Canada and began narrowing its losses. Over the next six months, the share price responded favourably to announcements of quarterly results. Media speculation of a potential takeover offer pushed its share price as high as around $1.07 (intraday high) in late November 2024 before retracing those gains over the next two months (particularly following the release of its second quarterly results on 31 January 2025 when it fell by over 12%).

The following graph illustrates the upwards trajectory of the PointsBet adjusted share price (i.e. allowing for the impact of the return of capital and capital raisings) following the sale of the U.S. business:

POINTSBET – ADJUSTED SHARE PRICE AND TRADING VOLUME

1 JANUARY 2023 TO 30 APRIL 2025



Source: IRESS

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PointsBet shares closed at $0.83 on 25 February 2025, the day immediately prior to announcement of the Scheme. Since announcement of the Scheme on 26 February 2025, PointsBet shares have traded in the range $1.02-1.18 and at a volume weighted average price ("VWAP") of $1.08.

Liquidity

PointsBet has been a reasonably liquid stock although, for the most of the past twelve months, it only had an approximate 88% free float (excluding the interest held by SIG Sports).

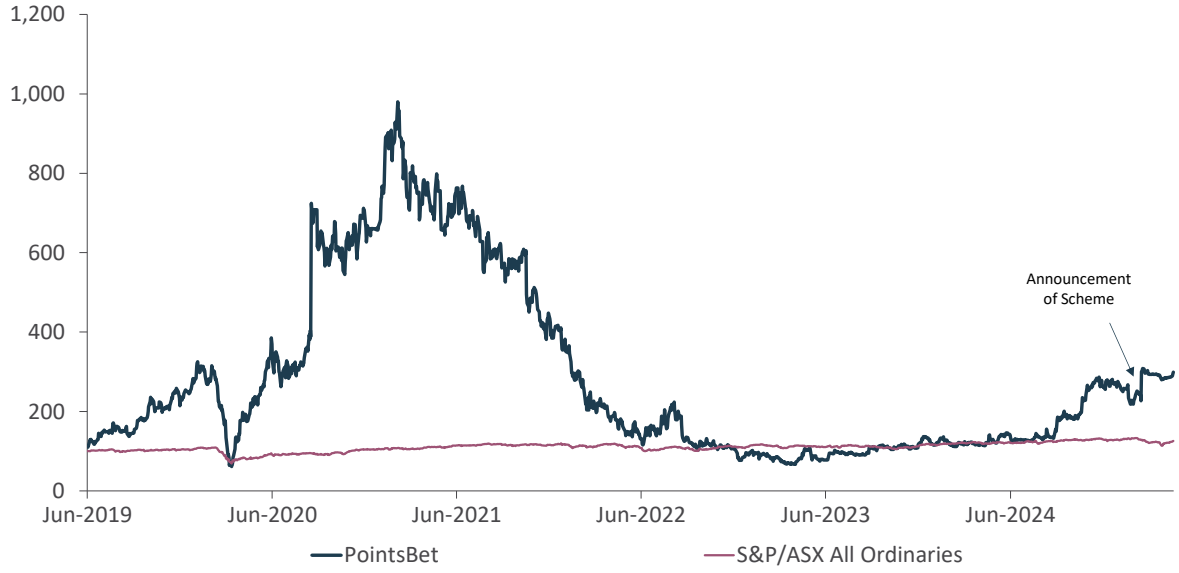
Average weekly volume over the 12 months prior to announcement of the Scheme represented approximately 2.4% of average shares on issue or annual turnover of around 125% of total average issued capital (just over 140% of free float).

Relative Performance

The following graph illustrates the performance of PointsBet shares since the initial public offering on 11 June 2019 relative to the S&P/ASX All Ordinaries Index (the only index in which it is included):

POINTSBET VS S&P/ASX ALL ORDINARIES INDEX

1 JULY 2019 TO 30 APRIL 2025



Source: IRESS

It is difficult to gain much insight from the graph above given:

- PointsBet is one of the smallest members of the S&P/ASX All Ordinaries Index (around the 350th largest company in the index) and its weighting is less than 0.1%; and
- the significant impact that the U.S. business has had on PointsBet's share price performance in recent years (from ramp-up to disposal).

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5 Profile of Business Operations

5.1 PointsBet Australia

Scope of Operations

PointsBet Australia operates as on online bookmaker in Australia under a sports bookmaker licence granted to it by the Northern Territory Racing Commission. This licence allows it to provide wagering services in all States and Territories across Australia.

The Wagering Market in Australia

BACKGROUND

Australia has a long history of wagering initially based around the racing industry. Betting on general sports has been legal in most States since the 1980s. Today, the Australian wagering market (leaving aside on course bookmakers in the racing industry) comprises two main groups of market participants:

- **TABs**, which have historically been the dominant provider of wagering services in Australia. They were originally established as state government agencies but (with the exception of Western Australia) have all been privatised over the last three decades.

  TABs essentially have:

  - exclusive rights to provide official on course betting services (Tote and fixed odds) but they do compete with individual licensed bookmakers that operate on particular racecourses; and
  - monopoly rights to provide betting facilities in their own retail outlets as well as other licensed venues such as pubs and clubs.

  TABs are governed by arrangements with each State government which involve:

  - licences of fixed but different durations. The Victorian licence was renewed with Tabcorp Holdings Limited ("Tabcorp") in 2024 for a further 20 years but those in New South Wales, Queensland and South Australia do not expire until the end of the century (although retail exclusivity typically expires much earlier);
  - payments of upfront fees (at the time of renewal); and
  - payments of taxes based on gaming revenue.

  TABs also have comprehensive agreements with the various racing bodies that include product fees (e.g. race field fees based on a percentage of gross gaming revenue), marketing and development payments and broadcasting rights agreements with the individual racing clubs (historically giving TAB clients exclusive access to video coverage).

  As a result of the 2017 merger between Tabcorp and Tatts Group Limited, Tabcorp now owns the TABs in every State and Territory throughout Australia with the exception of Western Australia. The Western Australia Government has explored selling WA TAB on several occasions (the most recent being in 2022) but remains the sole owner at this stage. Tabcorp also provides a comprehensive online betting service across racing, sports and other products (under the *TAB* brand); and

- **corporate bookmakers,** which operate solely online but nationwide. The first online bookmaker (Centrebet International Limited ("Centrebet")) began operations in 1996 but the industry really started to develop in the early 2000s using licences issued by the Northern Territory government. There was little other States and Territories could do to prevent residents accessing these services. A 2008 High Court decision removing restrictions that prevented bookmakers licensed in one State from

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advertising in another, together with developments in mobile technology, provided the impetus for the online wagering industry to take off.

Over the last decade, corporate bookmakers have gained an increasing share of the wagering market at the expense of TABs (which have a significant element of in-venue and on-course betting). In the early 2010s, TABs still accounted for around 70-80% of total turnover across Australia. However, their share of total wagering turnover began noticeably falling from 2015, with the shift towards corporate bookmakers accelerating further in FY20 as the lockdowns in response to the COVID-19 pandemic pushed more wagering activity online. For instance, Tabcorp saw its wagering revenue market share fall from around 57% in FY19 to just 33% by FY24 (albeit this figure is inflated by the contributions from its digital business, which accounted for a negligible share of its wagering revenue in FY19 but around half of it by FY24).

The deterioration in market share of TABs likely reflects underlying drivers such as:

- the natural degradation of incumbency over time;
- the strong growth in client interest in sports betting including a growing offering of offshore sports (particularly U.S. sports such as NBA, NFL, MLB and NHL) compared to horse raising (the bulk of TAB's revenue) underpinned by the greater diversity and flexibility of bet types (racing has an essentially static product offering other than increasing access to offshore races);
- heavy promotional and marketing expenditure by corporate bookmakers; and
- structural advantages in favour of corporate bookmakers in terms of State taxes and fees paid to racing bodies (albeit now much diminished). Initially, corporate bookmakers did not pay any race day fees and were not subject to State gaming taxes and the Northern Territory government did not apply any taxes. These lower imposts enabled corporate bookmakers to offer more competitive odds.

  More recently, these advantages have been eroded as:

  - corporate bookmakers now pay fees to racing authorities and sports bodies; and
  - State governments introduced a point of consumption tax (staggered across the period from 2017 to 2019) to help level the playing field (in addition to other taxes paid by corporate bookmakers such as goods and services tax ("GST")). The bookmakers pay a tax on revenue based on the client's residence.

    The point of consumption tax varies from State to State and in the detail of their application:

STATE POINT OF CONSUMPTION WAGERING TAXES

STATE	YEAR INTRODUCED / AMENDED	RATE (%)	THRESHOLD ($)
Australian Capital Territory	2023	25	150,000
New South Wales	2022	15[16]	1,000,000
Northern Territory	-	-	-
Queensland	2022	20	300,000
South Australia	2017	15	150,000
Tasmania	2020	15	150,000
Victoria	2024	15	1,000,000
Western Australia	2019	15	150,000

Since their introduction, these point of consumption taxes have periodically been revised upwards (as was the case in New South Wales in 2021, Queensland in 2022, Australian Capital Territory in 2023 and Victoria in 2024). In some cases, the methodology for calculating taxable

[16] Increased from 10% to 15% in July 2022. There has been recent speculation that the New South Wales Government intends to increase the tax rate to 20% (to compensate for declining revenue) but this has not occurred to date.

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income was also expanded to capture a larger share of the operator's intake (e.g. in Queensland, where free bet stakes are now also included).

DEMAND TRENDS

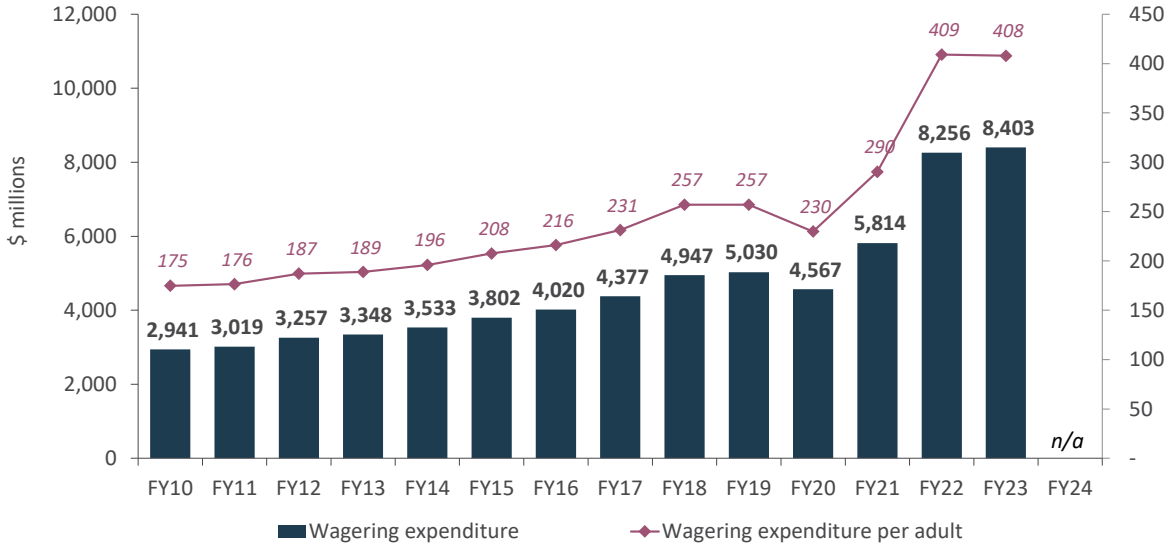
Australians are among the most active gamblers in the world.

For most of the last two decades, total gambling expenditure per adult (i.e. net losses incurred per consumer) has remained broadly within the range $1,100 to $1,300[17]. Although demand fell to around $1,070 per capita in FY20 due to the COVID-19 lockdowns and closure of physical venues (e.g. casinos, clubs, TABs and pubs with poker machines), total gambling expenditure per capita rebounded sharply over the following three years. By FY23, total gambling expenditure per capita was approximately $1,525 per adult.

Nearly half of the increase in gambling expenditure over the last three years was due to wagering (which represented only around 20-25% of total gambling expenditure). The rapid rise in wagering expenditure has been a recent phenomenon. Growth in wagering expenditure had been relatively modest for many years (at around 6% per annum between FY10 and FY19). However, activity spiked over the last three years as online gambling became increasingly popular and sports betting retained many of the new customers gained during the COVID-19 lockdowns. Annual wagering expenditure per adult dramatically increased between FY20 and FY22 and has nearly doubled from COVID-19 pandemic levels to over $400 per capita (albeit stabilising somewhat between FY22 and FY23).

The chart below illustrates the growth in historical total and per capita wagering expenditure (i.e. measured in gross win) across Australia:

AUSTRALIA — WAGERING EXPENDITURE AND WAGERING EXPENDITURE PER CAPITA



Source: Australian Gambling Statistics

Despite the sharp step-up in wagering expenditure in recent years, the demand outlook for wagering in Australia is modest given the maturity of the industry and regulatory headwinds (as discussed below) with some analysts and industry peers expecting demand growth to be at 5% or less per annum through to 2028[18].

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[17] Source: Australian Gambling Statistics, 39th Edition (September 2024), Queensland Government Statisticians Office ("Australian Gambling Statistics"). Per capita estimates are on a nominal basis and based on 20.6 million persons aged 18 and over. Equivalent to approximately $1,175 per capita based on total population.

[18] Source: Entain, FY24 Investor Presentation. Based on estimates by Regulus Partners.`

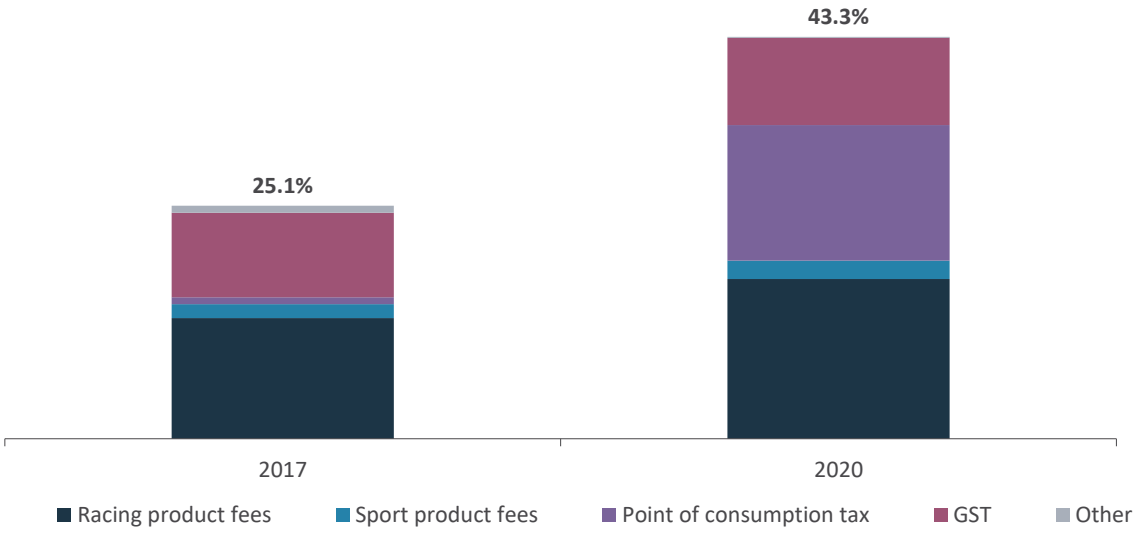
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COMPETITIVE ENVIRONMENT

The Australian wagering industry is mature and competitive. Since the High Court decision in 2008, there has been a significant restructuring of the industry with new entrants, mergers, rebrandings and closures. A wave of industry consolidation occurred over the 2009-2013 period as global majors (i.e. multinational online wagering or sports betting companies) seeking a foothold in Australia undertook an aggressive acquisition strategy to gain immediate scale.

Another wave occurred around 2018-2019 in response to increased regulatory scrutiny and anticipated step-up in compliance and operating costs (notwithstanding the already high levels of marketing spend). These costs absorbed a large share of net revenue which had a significant financial impact even for some of the largest bookmakers:

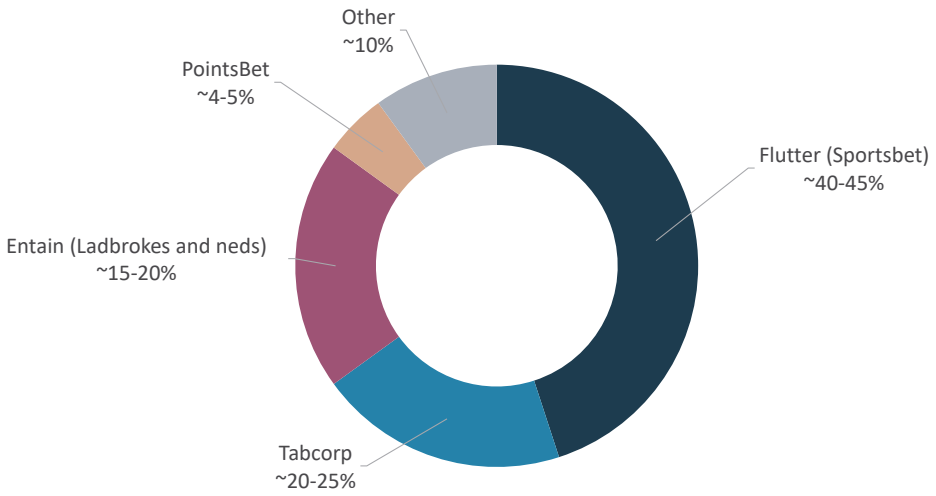
IMPACT OF FEES AND TAXES AS A % OF NET REVENUE



Source: Flutter, Sportsbet Investor Day 2021

These increases made it extremely difficult for some bookmakers to see a path to profitability, pushing a number of them to consolidate. Today, over 80% of the industry is concentrated in the three largest participants:

WAGERING INDUSTRY IN AUSTRALIA – ESTIMATED ONLINE MARKET SHARE



Source: Grant Samuel research, competitor filings

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Flutter Entertainment plc ("Flutter") (formerly Paddy Power Betfair plc) has by far the largest online sportsbook in Australia (as well as overseas). Flutter is one of the largest global majors and incorporates a number of major brands including *Paddy Power* (United Kingdom and Ireland – retail and online), *Betfair* (global operations except Australia and New Zealand), *SkyBet* in the United Kingdom (licensing the *Sky* brand), *PokerStars* (online poker and casino games) and *FanDuel*[19] (initially a daily fantasy sports business in the U.S. that has become the largest sports bookmaker in the U.S. with over a 40% share as well as offering iGaming in certain states). Since entering the Australian market with the acquisition of SportsBet Pty Limited ("SportsBet"), it has consolidated a number of other brands under the *SportsBet* brand through a series of:

- roll-up acquisitions, including of International All Sports Limited in 2009 (which came shortly after its acquisition of a majority interest in SportsBet); and
- mergers with other global majors, including the Betfair Group in 2015 and the Stars Group in 2019. The Stars Group itself was effectively a consolidation of a number of online wagering businesses that had rebranded under the *BetEasy* brand (i.e. *CrownBet* and *William Hill*, which in turn was also a roll-up, comprising the *CentreBet, Sportingbet* and *TomWaterhouse.com.au* brands).

Entain plc ("Entain") (formerly GVC Holdings plc), another global major, had also built its presence in Australia through inorganic growth such as the merger with Ladbrokes Coral Group Limited in 2016 (the *Ladbrokes* brand) and acquisition of the Neds International Limited in 2018 (the *neds* brand). Entain now operates a dual brand strategy in Australia (with the majority of its market share accounted for by the *Ladbrokes* brand).

In contrast to the two global majors, Tabcorp grew its online wagering business largely organically as a complement to the in venue TABs experience (i.e. particularly with the launch of a new edition of its TAB app in late 2022). Unlike most of the other corporate bookmakers (which primarily focus on sports betting), Tabcorp continues to derive the vast majority of its revenue from racing (well over 80% of 1HY25 turnover).

The remainder of the industry is fragmented. PointsBet and Bet365 are the largest of this group and vie for the position as the fourth and fifth largest bookmakers in Australia, each representing around 4-5% of the industry.

REGULATORY ENVIRONMENT

Wagering in Australia is subject to significant regulatory and other constraints[20], in particular:

- limits on the ability to undertake promotional and advertising activities on television and radio including time of day, type of program and time of event;
- limits on inducements to open new accounts;
- a ban on online "in-play" betting (i.e. making bets once a game or race has started) including multi day events. This restriction is regarded by the industry as a significant constraint on wagering activity. However, in-play betting is allowed via telephone or on licensed retail premises. Recent court decisions have constrained the ability of operators to enhance telephone betting through the parallel use of apps and quick codes. Over time, it may be possible to secure regulatory change; and
- a ban on online casino games (iGaming). Again, this represents a constraint on the potential of the industry as it is a suite of products that corporate bookmakers with a strong technology platform could easily put in place. Despite iGaming being allowed in other markets (such as the United Kingdom, Europe, in some parts of the U.S. and in Ontario, Canada) change in Australia is unlikely in

[19] Flutter owns a 95.5% interest in FanDuel Group Parent LLC, the parent entity holding the *FanDuel* business. The remaining interest is owned by Boyd Interactive Holdings LLC ("Boyd"), a U.S. based gaming company. FOX Corporation holds a call option to acquire up to a 18.6% interest from Flutter. The option remains on foot and is due to expire in December 2030.

[20] Primarily the Interactive Gaming Act 2001 (Cth), State legislation and, for example, various media Codes of Practice.

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the short to medium term. There are significant social issues to overcome (compared to wagering) particularly given the problem gambling issues in Australia arising from the prevalence of EGMs (and the likely resistance by casinos and EGM operators such as licensed clubs). Nevertheless, it should be recognised that this activity does already occur in Australia to some extent through the use of offshore websites and apps.

The scrutiny over online wagering (or more broadly, gambling) has intensified further in recent years. Some new measures were designed to "level the playing field" with land based casinos. For example, the Australian Government introduced a ban on the use of credit cards in 2019 (i.e. for depositing money directly into online and app-based betting accounts) and a number of State governments introduced point of consumption taxes between 2017 and 2019 (with some raising the tax rates in subsequent years).

Other measures have been designed to promote responsible gambling and crack down on gambling advertisements. In 2022, a parliamentary inquiry was undertaken to assess the impact of online gambling on gambling harm. One of the recommendations put forward was to implement a phased, comprehensive ban on online gambling advertising across television, radio and catchup platforms within three years. The ban would prohibit corporate bookmakers from sponsoring sports jerseys or on-field signs at sporting events. At this stage, no decision has been taken on the shape or form of the gambling ad ban (if any).

A case in point for the increased regulatory scrutiny is the recent Federal Court filings by Australia's financial intelligence unit and financial crimes regulator (i.e. AUSTRAC) against Entain. The lawsuit alleges breaches against anti-money laundering and counter-terrorism financing. The lawsuit marks the first time AUSTRAC has brought civil penalty proceedings against an online bookmaker. The proceedings remain ongoing and sits with the Federal Court to determine whether Entain has been non-compliant and, if so, the consequences or penalties to order.

Products and Services

PointsBet Australia's key products and services generally fall under either:

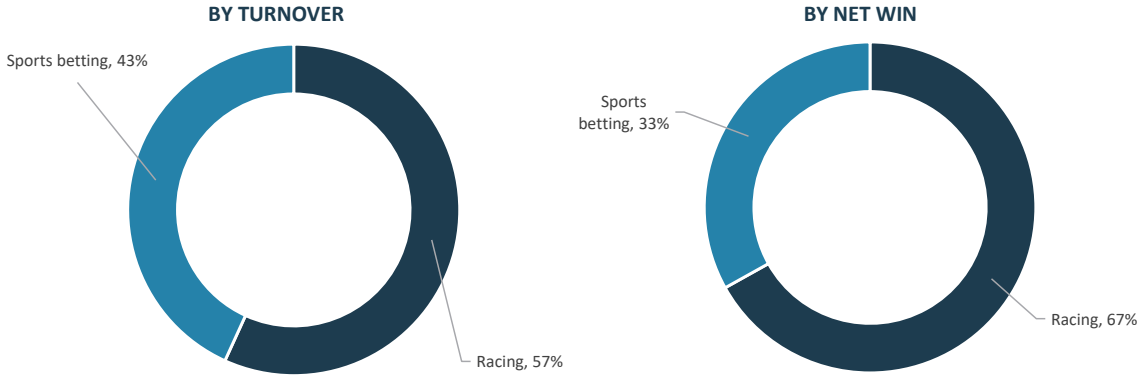
- **racing wagering**, which offers clients an extensive range of racing wagering options such as fixed odds and Tote derivative products[21] for win and place, and Exotics such as Quinella, Exacta and Trifecta. In FY24, PointsBet offered betting markets for races in Australia and internationally, including individual races across thoroughbreds, harness and greyhound racing. In Australia, racing has a long established history but is often viewed as a legacy industry; or
- **sports betting**, which offers sports betting options on 30 sports, including all major U.S. sporting leagues (NBA, NFL, MLB and NHL) and major Australian sporting leagues (AFL, NRL and BBL), together with three novelty categories (financial, entertainment and politics). PointsBet offers a wide range of betting markets across each sport as well as across both pre-game and in-play (to the extent permitted). In contrast to racing, sports betting is a much faster growing segment that is typically more popular with a younger cohort of clients.

In 1HY25, racing wagering still accounted for the majority of PointsBet Australia's turnover and net win:

[21] Tote derivative products provide clients with similar betting odds to the State based Tote betting pools operated by TABs.

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POINTSBET AUSTRALIA – CONTRIBUTION BY SEGMENT (1HY25)



Source: PointsBet

Sports multi-bets are the highest growing category of the Australian online wagering market. Some of the tailored multi-bet products include *Five for $*25 and same game multis ("SGMs"). A lot of the growth has been driven by mass market cohorts that bet in small stake sizes (around $17 per multi bet) and has also contributed to total growth active clients in recent periods.

Marketing and Promotions

The *PointsBet* brand is prominently featured across its racing and sports betting platforms and is positioned as an innovative challenger brand in Australia.

PointsBet Australia adopts a multi-channel marketing strategy that reaches its target audience across media, including free-to-air television, subscription television, digital advertising (e.g. YouTube, Google) and, to a smaller extent, radio, press and outdoor advertising. Marketing spend is designed to deliver a positive return on investment and generally grows in line with the company's product and platform enhancements, with increased spend typically planned around the introduction of key product releases and key events to enhance its effectiveness.

Brand awareness is also built through offline media such as partnerships with:

- major sporting events, such as Victorian odds integration partner for the Autumn and Spring Carnival National Horse Racing coverage; and
- brand ambassadors, particularly with professional sports players such as, in recent years, NBA legend Shaquille O'Neal and former NBA All Star Allen Iverson.

Given the maturity of the Australian market and PointsBet's established brand presence as one of the top five sports bookmakers in the country, PointsBet Australia has dedicated more of its marketing spend in recent years towards "performance" marketing (which is focused on maximising client engagement) as opposed to "brand" marketing (which is aimed at building brand recognition and awareness).

Specifically, PointsBet Australia utilises promotions (otherwise known as "generosity") such as bonus bets, money back specials or enhanced pricing initiatives (in compliance with relevant laws and regulations). Promotional costs are typically high during the start-up and establishment of a wagering business. For example, new clients may be given welcome bonuses, which means that when new clients make up a large proportion of a business' client base, promotional costs are disproportionately high. In recent years, PointsBet has also invested heavily in its data science capabilities to deliver more targeted and personalised promotional programs for its clients.

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Strategy

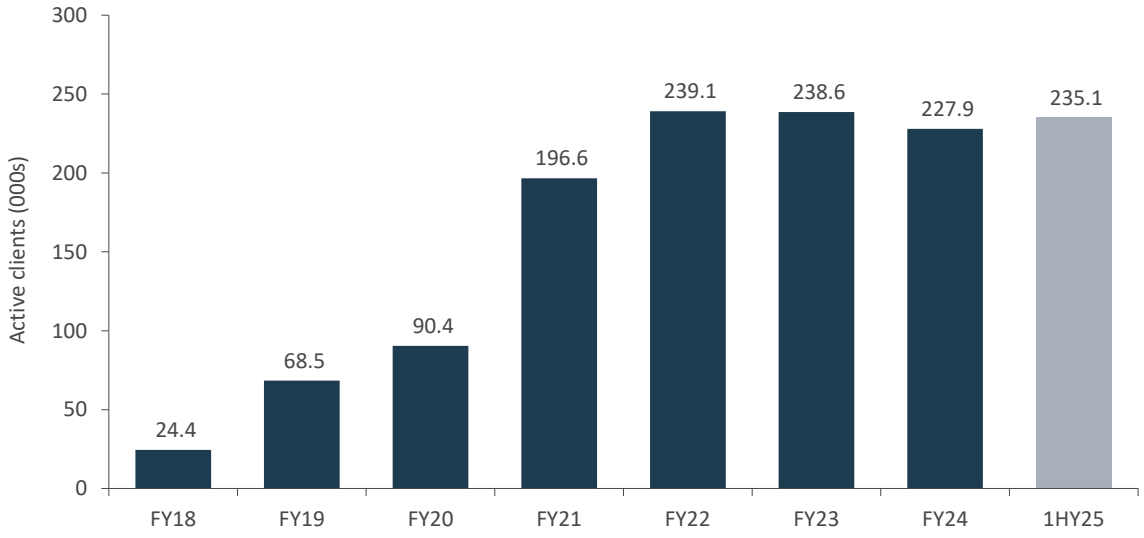
In Australia, PointsBet aims to firmly establish its position as the fourth largest sports bookmaker in the country. Although the betting industry in Australia is mature, the investment required to sustain its market position is still significant due to the level of competition as well as the need to remain relevant to clients. Achieving PointsBet's strategic objective requires continued investment in:

- its in-house cloud-based technology platform to ensure the critical infrastructure behind its betting products and services remains an attractive and credible betting solution for clients;
- product development and differentiation (e.g. leveraging *OddsFactory* to create unique betting products);
- multi-channel marketing strategy and branding efforts; and
- attracting, retaining and developing industry-leading talent (e.g. software developers, quants, traders).

Operating Performance

PointsBet has a strong track record of growth in the highly competitive and regulated Australian market. Since its launch in February 2017, PointsBet Australia significantly increased its active client base (i.e. clients who have made a bet in the last 12 months) over the period to FY22 although it has largely plateaued since then:

POINTSBET AUSTRALIA – ACTIVE CLIENTS

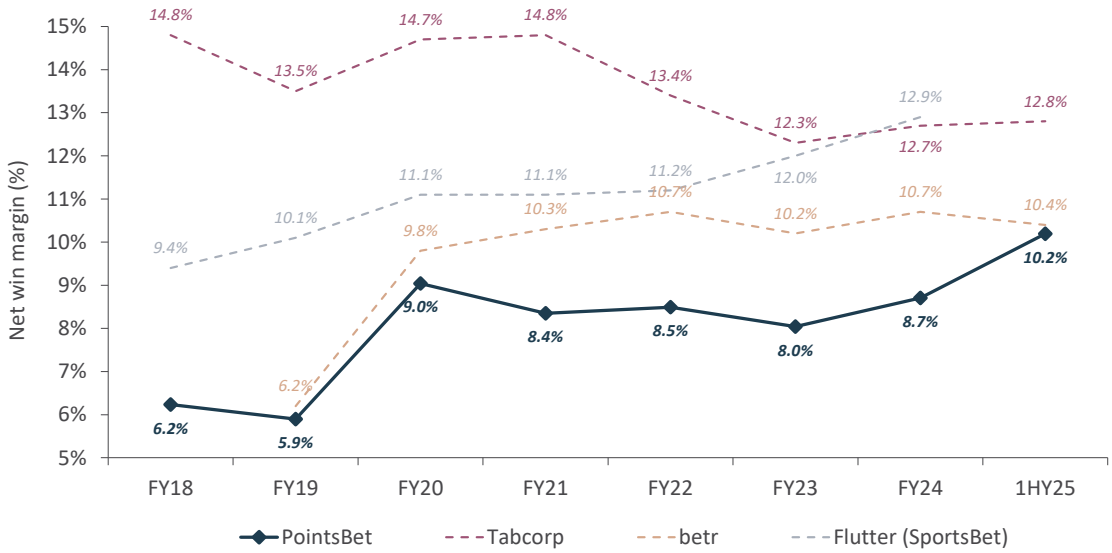


Source: PointsBet

The rapid rise in active clients in PointsBet Australia's first three years of operations through to FY20 reflected its ability to win market share as it rolled out new products, including *PointsBetting* (available at launch in February 2017), Fixed Odds Racing (launched in September 2017) and Fixed Odds Sports (launched in March 2018). Heavy promotional spend (i.e. generosity) was also a key part of PointsBet Australia's customer acquisition strategy in its initial years as it consistently generated one of the lowest net win margins among its peers (although some of that differential may be explained by product mix):

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POINTSBET AUSTRALIA NET WIN MARGIN VS PEERS[22]



Source: PointsBet, Competitor filings

For most of its operating history, PointsBet Australia has generated lower net win rates than any of its peers. While the gap to the longstanding industry leader Tabcorp may be in part due to the fact that racing (which commands much higher net win rates than sports betting) accounts the vast majority of its turnover, PointsBet's net win rates still falls consistently below both larger (Sportsbet) and smaller (betr) peers.

The surge in PointsBet Australia's active client base in FY21 and FY22 was caused by the spike in online wagering during the lockdowns and restrictions implemented in response to the COVID-19 pandemic. Despite sports events being cancelled during this time (at least initially) and many licenced venues being closed, racing events continued and resulted in a shift in wagering to online channels. The shift towards online gambling made access to sports betting more seamless to a much wider target audience but also attracted a cohort of lower margin "promotional users". This cohort of users generally participated only as part of non-targeted major promotional programs (e.g. the Spring Carnival of 2022) and were therefore, as a customer segment, less likely to be enduring clients. As a result, PointsBet Australia saw a sharp uplift in new active clients during this period with active clients increasing nearly three-fold between FY20 and FY22 (from around 90,000 to just under 240,000).

Over the next two years, total active clients fell by nearly 5% as a result of softer demand in the racing segment (albeit partly offset by stronger demand in the sports segment) as well as the churn associated with "promotional users". These consecutive periods of decline were finally stemmed in 1HY25, with total active clients recovering to approximately 235,000 users (an increase of 8% over the prior comparable period) as a result of increased engagement from mass market clients albeit with weaker turnover from its VIP clientele (often associated with higher stakes but lower margins). The reduced VIP turnover appears to be attributable in large part to increased regulation (e.g. know your client procedures).

The historical operating performance of PointsBet Australia for FY21 to FY24 as well as 1HY25 is summarised in the table below:

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[22] Peer net win margin is based on competitor filings and disclosures. Net win margin is based on:

- "total net yield" from FY18 to FY21 and "digital net yield" from FY22 to FY24 (and 1HY25) for Tabcorp; and
- reported "net revenue" margin for Flutter's Australia segment (which comprises the Sportsbet business) for each calendar year. FY24 corresponds with Flutters' reporting period for the year ended 31 December 2024.

No public information on net win was available for Entain's Australian business operations (i.e. Ladbrokes and Neds).

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POINTSBET AUSTRALIA – HISTORICAL OPERATING PERFORMANCE ($ MILLIONS)

	FY20 ACTUAL	FY21 ACTUAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
Total turnover	830.5	1,989.0	2,536.4	2,632.6	2,676.8	1,149.0
Gross Win	100.8	257.3	338.4	309.1	315.2	154.0
Gross Win margin %	*12.1%*	*12.9%*	*13.3%*	*11.7%*	*11.8%*	*13.4%*
Net Win	75.1	166.1	215.4	211.7	233.1	117.1
Net Win margin %	*9.0%*	*8.4%*	*8.5%*	*8.0%*	*8.7%*	*10.2%*
Revenue	**68.2**	**150.7**	**195.2**	**192.1**	**211.5**	**106.2**
EBITDA	**6.9**	**9.2**	**7.7**	**0.1**	**26.8**	**10.7**
KEY STATISTICS						
Active client growth (%)	*+32.1%*	*+117.4%*	*+21.6%*	*-0.2%*	*-4.5%*	*+7.7%*[23]
Turnover growth (%)	*+69.5%*	*+139.5%*	*+27.5%*	*+3.8%*	*+1.7%*	*-21.8%*[23]
Revenue growth (%)	*+159.3%*	*+121.0%*	*+29.5%*	*-1.6%*	*+10.1%*	*4.4%*[23]
Generosity efficiency (%)	*25.5%*	*35.4%*	*36.3%*	*31.5%*	*26.0%*	*24.0%*
EBITDA margin (%)	*10.1%*	*6.1%*	*3.9%*	*0.0%*	*12.7%*	*10.1%*
Marketing expense ($ millions)	*20.1*	*51.4*	*61.5*	*61.0*	*45.2*	*25.3*
Marketing as a % of revenue	*29.5%*	*34.1%*	*31.5%*	*31.8%*	*21.4%*	*23.8%*

Source: PointsBet and Grant Samuel analysis

PointsBet Australia's historical financial performance reflects the major transformation it has undergone as it ramped up operations. Between FY20 and FY22, it delivered significant step-ups across key revenue metrics:

- total turnover more than tripled to over $2.5 billion, outpacing the step-up in active clients as user engagement flourished with its broadening product suite, increased promotional activities and the impact of the COVID-19 pandemic; and
- gross win also more than tripled to nearly $340 million, broadly in line with the increase in total turnover and gross win rate improved to over 13%.

Although total net win also increased substantially over the period, net win rate deteriorated due to heavy reliance on promotional spend to attract more turnover, falling from 9.0% in FY20 to 8.5% in FY22 and further to 8.0% in FY23.

The pace of rapid growth stalled after FY22. A softer trading environment for racing (which historically carried net win margins in excess of 12%) placed further pressure on its net win margin. In response to the changing market environment, PointsBet Australia instilled tighter discipline around promotional spend (with generosity efficiency sharply improving to 24% by 1HY25) and placed more focus on "higher quality" clients (e.g. higher margin mass market cohorts). Increased demand for higher margin products such as SGMs also helped mitigate some of the pressures on net win margins. As a result, although net win margin fell further to 8.0% in FY23, it rebounded in FY24 and improved further to just over 10% in 1HY25. These improvements helped offset the declines in total active clients as revenue remained within a relatively tight range of around $190-210 million between FY22 and FY24 (and, given the performance in 1HY25, appears set to remain at those levels in FY25).

The largest contributors to PointsBet Australia's cost profile are its marketing spend (which represents the largest share of costs), technology spend (which primarily comprises internal charges for technology although some costs are incurred directly by the business) and labour costs. Marketing spend has been the most variable in recent years and has had the largest impact on PointsBet Australia's profitability. Total marketing spend more than doubled from $20 million in FY20 to over $50 million in FY21, stepping up

[23] Change over prior comparable period (i.e. 1HY24).

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further to $60 million in FY22 and FY23. The sharp increase in marketing during this period reflected the heavy upfront investments in customer acquisition to take advantage of industry tailwinds caused by the COVID-19 pandemic that made online sports betting the only viable option to bet (as most in venue options were closed). The launch of the Shaquille O'Neal campaign was part of this major marketing push. Following the conclusion of the campaign (as well as its impact on profitability), PointsBet Australia focused on more targeted marketing strategies to reduce outflows over the next year and half. Marketing spend fell to $45 million in FY24 and is on track to be broadly similar in FY25[24].

Subsequent to completion of the sale of the U.S. business, PointsBet has steadily sought to "optimise" its cost base to reflect the new scaled down operations. In the announcement of its FY24 results, PointsBet also noted that costs have stabilised and, given the relatively fixed nature of its cost base, should allow it to begin taking advantage of operating leverage as revenue grows.

EBITDA margin has been positive since FY20 (which also was PointsBet Australia's first full year of delivering positive EBITDA since its inception). However, the EBITDA margin consistently fell from around 10% in FY20 to just above breakeven in FY23. While the step-up in marketing spend (to above 30% of revenue) was a key contributor to the margin pressures, the issues were compounded by other factors such as the increase in point of consumption taxes (across several states) and higher costs of compliance. The sharp reduction in marketing spend in FY24 alleviated much of the strain on profitability. Improving quality of net win and more targeted promotions bolstered EBITDA margin further. In FY24, EBITDA margin jumped to 12.7% and remained above 10% in 1HY25.

Outlook

PointsBet provided guidance on its group revenue and EBITDA in conjunction with release of its FY24 results on 22 August 2024 and updated this guidance on announcement of its second quarterly results on 31 January 2025. Although specific revenue and EBITDA guidance for PointsBet Australia was not provided, PointsBet provided the following commentary in relation to its Australian business:

- strong growth in the mass market segment is expected to improve the profile of PointsBet Australia's revenue base (e.g. better quality net win yields);
- gross margins are expected to remain strong and can be maintained (at over 50%) despite the step-up in point-of-consumption taxes in Victoria;
- marketing and product investment will remain at similar levels (in dollar terms) to drive growth; and
- cost discipline will be maintained to maximise the operating leverage of the fixed cost base.

To provide an indication of the expected future financial performance of PointsBet Australia, Grant Samuel has considered brokers' forecasts for PointsBet Australia (see Appendix 1) as follows:

POINTSBET AUSTRALIA – FORECAST FINANCIAL PERFORMANCE ($ MILLIONS)

	FY24 ACTUAL	BROKERS' FORECAST	
		FY25 (HIGH)	FY26 (MEDIAN)
Net revenue	211.5	220.0	227.3
Normalised EBITDA	28.6	33.0	36.8
STATISTICS			
Net revenue growth	*+10.1%*	*+4.0%*	*+3.3%*
Normalised EBITDA margin	*13.5%*	*15.0%*	*16.2%*

Source: Grant Samuel analysis (see Appendix 1)

[24] PointsBet Australia is exposed to some seasonality due to the timing of major sporting events in the U.S. (e.g. the Super Bowl and the playoffs for the NBA and NHL all fall in the second half of the fiscal year). Seasonality has some impact on the timing of marketing spend as these expenses are typically weighted to the first half of the year (generally over 60% of the year's spend) ahead of these key events. On the other hand, net win and revenue have generally been evenly spread between the two half year periods.

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Normalised EBITDA excludes approximately $2 million in share option expense.

PointsBet has not completed a revised Long Term Plan. It is therefore uncertain whether the brokers' forecasts fully align with current management expectations.

5.2 PointsBet Canada

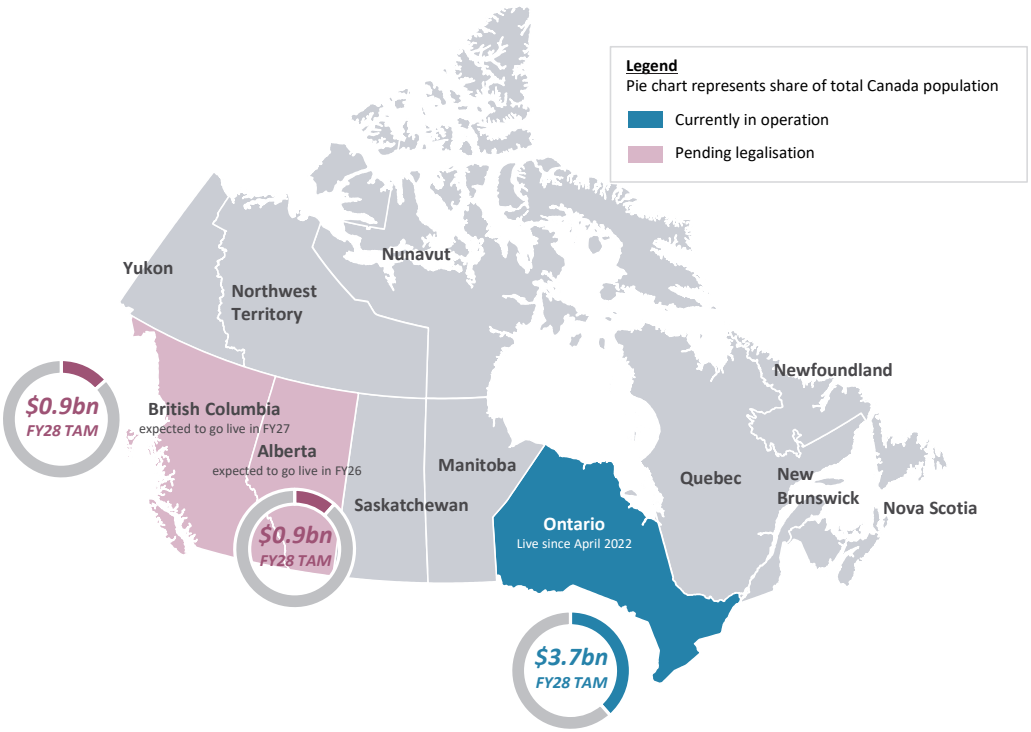
Scope of Operations

PointsBet Canada is the key element of PointsBet's future growth strategy. The opportunity to establish a new Canadian business operations arose as part of the group's expansion in the U.S. and the anticipated legalisation of sports betting in Canada (formally approved in June 2021).

PointsBet established its foothold in the Canadian market in the province of Ontario. It is the largest province in Canada by population (approximately 16 million) and was also the first (and to date, only) province to go live with an open licencing system shortly after the Canadian government moved to legalise sports betting. In February 2022, PointsBet Canada was granted a sportsbook licence by the Alcohol and Gaming Commission of Ontario ("AGCO") and, just two months later, began offering sportsbook and iGaming products within the province.

Today, PointsBet Canada operates solely in Ontario but has plans to expand into new markets across the country as new legislation is passed to legalise sports betting in other Canadian provinces. The illustrative map below outlines the indicative timing of PointsBet Canada's potential expansion into new provinces as well as the estimated market opportunity (as estimated by PointsBet management) in each province:

POINTSBET CANADA – EXPANSION STRATEGY



Source: PointsBet
Note: TAM is total addressable market, measured in net win.

Together, Ontario, Alberta and British Columbia represent approximately 65% of the Canadian population.

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The Online Gambling Market in Canada

BACKGROUND

The online gambling market is very different in Canada compared to Australia. Its emergence as a regulated market has only been a recent development and, despite the size and history of the "grey market", the regulated part of the market remains in its early stages of development.

For most of Canada's history, gambling (in nearly all forms) was banned under the Criminal Code of 1892 (the "*Criminal Code*"). For many decades since, pari-mutuel wagering on horse racing was the only form of gambling legally permitted although other less formal forms of gambling such as bingo and raffles also existed. It was not until 1969 that certain amendments to the *Criminal Code* were passed that legalised gambling by permitting Canadian provincial governments to "conduct and manage" lottery schemes.

These amendments gave rise to the establishment of four separate provincial lottery commissions that collectively covered all of Canada (as well as, for a while, a federally owned lottery) to administer lotteries within their jurisdictions. The Ontario Lottery Corporation (predecessor to the Ontario Lottery and Gaming Corporation or "OLG") was one of the largest of these new provincial lottery commissions and earmarked a portion of its profits for reinvestment in the community (e.g. physical fitness, sports, cultural and recreational activities).

A further amendment to the *Criminal Code* in 1985 had profound implications on the trajectory for gambling in Canada as it:

- transferred control and regulation over gambling to individual provinces (albeit under the framework set out in the *Criminal Code*);
- allowed provinces to operate and license gambling establishments, particularly those carried on electronically through computers, video devices or slot machines; and
- permitted provincial lotteries to offer only multi-leg bets (otherwise known as parlay bets) but not single event wagers.

The advent of the internet further transformed demand for online gambling. The first online casinos were launched in the 1990s and, by the 2000s, demand for online gambling began to increase exponentially as the accessibility and convenience of mobile apps and computers allowed online gambling operators to reach a much broader base of users.

At this time, provincial lotteries commissions effectively had a virtual monopoly over online gambling (particularly iGaming) within their respective regions. However, some of the provincial lottery commissions such as OLG (for Ontario) and PlayNow (for British Columbia and Manitoba) struggled to keep up with the influx of new online gambling visitors to their sites. Even then, their sports betting product suite was limited to parlay bets. Demand for single-event sports betting in Canada remained unfulfilled in the regulated gambling market.

These gaps in the market provided a window of opportunity for offshore online sportsbooks operators such as Bet365, Entain, Flutter's FanDuel, DraftKings and Betway (part of the Super Group) to provide an improved user experience and offer a wide variety of sports betting products (including single-event sports betting) to Canadian bettors via a grey market that was not sanctioned by the government. These offshore online sportsbooks operators were based outside Canada (in places such as Antigua, Gibraltar, the Isle of Man and the United Kingdom) and therefore not explicitly covered by the restrictions under the *Criminal Code*. By 2020, the grey market for sports betting had reached an estimated C$15 billion (around $15 billion) and surpassed the size of the regulated market (which represented only 3% of total bets).

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The rapid rise of the grey market as well as the scale of lost tax revenue prompted the Canadian government to consider its options to legalise sports betting and push much of the grey market activity back into regulated markets.

LEGALISATION PROCESS

The commencement of regulated online gambling operations in Canada was premised on resolving two key issues:

- legalisation of single-event sports betting, which, if implemented, would make regulated gambling more economically attractive to gambling operators; and
- the ability of licenced private operators to offer gambling products through a computer, which was specifically prohibited under the *Criminal Code* (although provincial governments were allowed to "conduct and manage" such operations and, until then, enjoyed monopoly rights within their own borders over online gambling).

Although there have been multiple attempts to legalise single-event sports betting in Canada (including a bill that stalled in the Senate in 2011), none had the broad level of support across Canada's major political parties until Bill C-218, *Safe and Regulated Sports Betting Act* ("C-218"). C-218 sought to amend the *Criminal Code* to allow provinces and territories to "conduct and manage" lottery schemes (i.e. pool or pari-mutuel system) for single-event sports events.

The passage of C-218 (which came into effect on 27 August 2021) was a significant milestone in legalising single event sports betting in Canada. However, the immediate benefits to private operators were still unclear and limited until individual provinces clarified and formalised their approach to online gambling.

Ontario was the first to respond to the regulatory changes. In March 2021, the Government of Ontario announced its commitment to establishing a new market for online gambling that was both competitive and protected customers. The plan was premised on a novel interpretation of the *Criminal Code*, through which the Province of Ontario intended to continue "conducting and managing" the online schemes in Ontario but with the assistance of third party operators (i.e. the private operators). It moved quickly to establish the new regulatory framework and, in July 2021, released a draft of the sports betting regulations for industry consultation.

The regulation of gambling in Ontario principally falls under the supervision of the AGCO. In relation to online gambling, it is responsible for:

- developing and establishing standards and requirements relating to the conduct, management and operation of online gambling operations including sports betting;
- determining eligibility requirements for private operators seeking to enter the regulated market;
- certifying the appropriateness of the applicant's systems and technology; and
- monitoring and policing the activity of registered online gambling operators, including the ability to impose sanctions (e.g. suspensions, monetary penalties, revocation of licence, etc.).

There are two Crown entities that operate under the regulatory oversight of AGCO to offer online gambling products and services within Ontario:

- OLG, which principally offers land-based gambling and province-wide lottery games. However, it is also the incumbent in the Ontario online gambling market (albeit online gambling accounts for a small part of its business) and now competes directly with the third party operators; and
- iGaming Ontario ("iGO"), which was established as a subsidiary of AGCO to "conduct and manage" the new market in Ontario (which would span both sports betting and iGaming) by entering into commercial agreements with private operators. These commercial agreements include provisions

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relating to player registration and location, player participation, management of game performance data, consumer protection, anti-money laundering and responsible gambling. Unlike certain parts of the U.S., applicants are not required to partner with bricks-and-mortar casinos to secure market access.

In addition, iGO is also tasked with capturing revenue share (often in the form of a percentage of gross win) on behalf of the government of Ontario. Registered operators are required to set up a joint, dedicated bank account with iGO to manage revenue.

Following the launch of Ontario's online gambling marketplace on 4 April 2022, AGCO allowed for an initial six-month period for unregulated operators to register as participants. Following the end of the transition period on 31 October 2022, the operation of unregistered online gambling websites in Ontario became illegal.

COMPETITIVE ENVRIONMENT

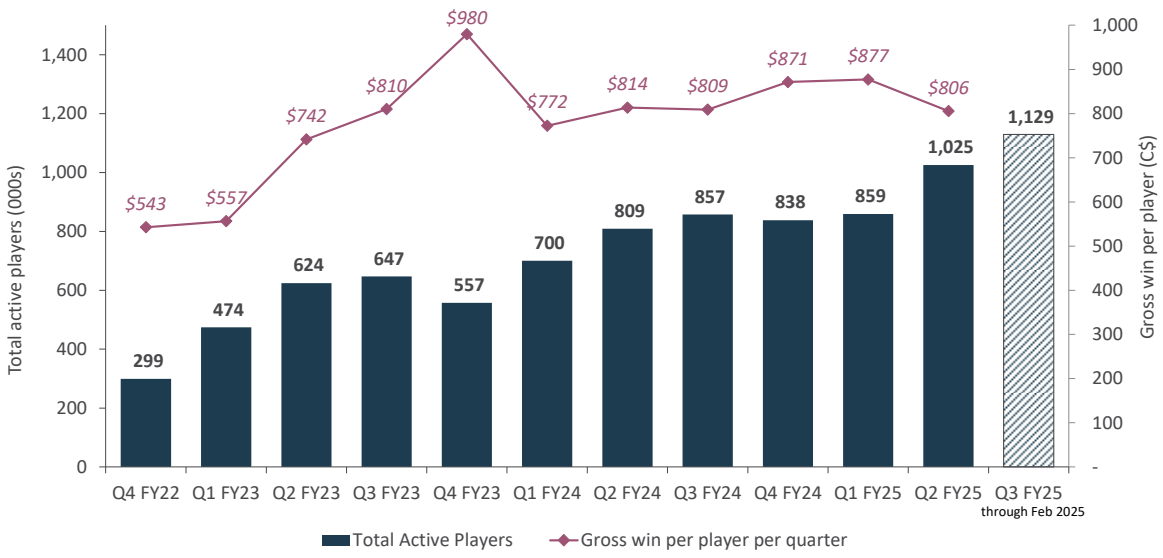
The online gambling market in Ontario, while still in its early stages, is extremely competitive. Its proximity to the U.S., the scale of the opportunity in Ontario (which, if it were considered a U.S. state, would make it the fifth largest by population) and overlap in viewership of premier sports (e.g. NBA, NHL, NFL, etc.) mean that it is a logical expansion opportunity for gambling operators south of the border.

On the first day of launch, 13 approved operators (including PointsBet Canada) went live. The initial group included a mix of operators based domestically (i.e. Rivalry and theScore, now owned by Penn), the U.S. (i.e. BetMGM, Flutter's FanDuel, Caesars Entertainment Inc. ("Caesars") and Rush Street Interactive Inc. ("Rush Street")) and Europe (i.e. bet365, 888 Holdings Limited (now Evoke plc ("Evoke")), Unibet, Coolbet, LeoVegas and Royal Panda). Some of the larger players in the grey market such as DraftKings and Betway were granted their licences later in the year.

The roll-out of online gambling across Ontario and the increasing take up by active clients attracted an influx of operators. By the end of 2022, that number swelled to 36 registered operators and continued to grow to around 50 by mid-2024 (remaining broadly at those levels since). Many of these operators are well capitalised and, given their scale and (for some) proximity to the Ontario market, have invested heavily in marketing to build share (although some have also been aided by their previous presence in the grey market). The chart below illustrates the ramp-up in active clients and their engagement levels since the launch in April 2022:

ONTARIO ONLINE GAMBLING MARKET - ACTIVE PLAYERS AND GROSS WIN PER PLAYER PER QUARTER

QUARTERLY RESULTS, FROM APRIL 2022 TO JANUARY 2025



Source: iGaming Ontario (iGO)

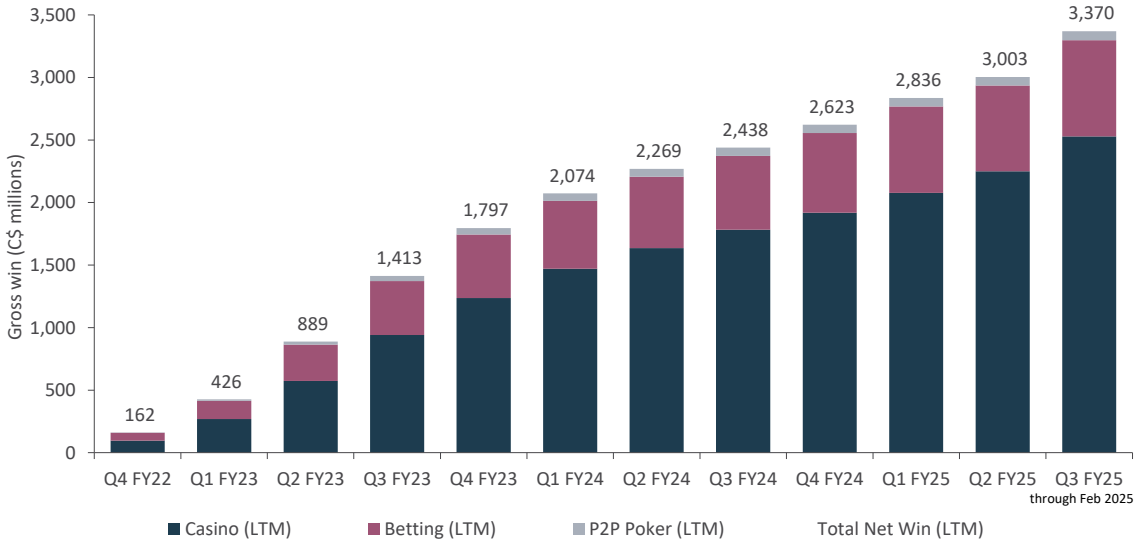
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The combination of the influx of new active clients (many of whom migrated their activity from unregulated to regulated markets) as well as their increased engagement (as measured in gross win per active player) contributed to the regulated industry's growth. By the end of 2024, the online gambling market in Ontario as measured in gross win exceeded C$3 billion (around $3.3 billion). The establishment of the regulated market has nearly eliminated the grey market in Ontario. Estimates by H2 Gambling Capital suggest that nearly 95% of Ontario's online gambling is now regulated[25].

The vast majority of the step-up in growth has been attributable to iGaming which has sustained higher growth rates than sports betting since the launch. iGaming now accounts for nearly 85% of total turnover (up from around 70% within the first three months of launch) but, given its lower gross win margin compared to sports betting, only around 75% of gross win (up from around 60% initially):

ONTARIO ONLINE GAMBLING MARKET – HISTORICAL GROSS WIN

ROLLING 12 MONTHS RESULTS, FROM APRIL 2022 TO FEBRUARY 2025



Source: iGaming Ontario (iGO)

There is no public data on the specific market share of the registered operators. However, it is believed that Bet365 (which was one of the largest participants in the grey market) has maintained its market leading position following the establishment of the regulated market. Other leading providers include BetMGM, FanDuel and Penn (particularly following its acquisition of theScore). Due to its late entry, DraftKings has taken longer to replicate the success it has had in the U.S. (where it holds around a 35% market share). The incumbent OLG continues to hold around 15-20% market share.

PointsBet is estimated to have a market share of around 1.5% (albeit with a higher market share in sports betting of just under 3% and a lower market share in iGaming of 1%).

MARKET POTENTIAL

The regulated online gambling market in Canada is in its infancy and the market potential is impossible to predict. At the time that single-event sports betting was legalised in 2021, the total opportunity for the Canadian iGaming and sports betting market was initially estimated by some analysts to be around C$4 billion in net win (or closer to C$5 billion gross win). Since the successful roll-out of online gambling in Ontario, estimates of the overall market size have moved higher:

[25] Source: Canadian Gaming Business, *How big is the unregulated slice of Canadian online gaming?*, 19 February 2025

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- around C$6 billion in gross wins once the market matures, as estimated by BetMGM (albeit this estimate was from nearly three years ago)[26];
- around C$7.5+ billion in gross wins once the market matures, as estimated by Rush Street (of which around 25% is in sports betting and the remainder in iGaming)[27];
- as high as C$10 billion in gross wins by 2030, as estimated by Flutter (which owns FanDuel)[28]. At the same time, such estimates have been described by some analysts as aspirational at best[29].

These estimates are premised on the establishment of regulated online gambling markets in new provinces beyond Ontario.

The market opportunity in Ontario accounts for the largest share of the total addressable market in Canada. It is the largest province in Canada by population (nearly 40% of the total population) and remains in a high growth phase. While it is difficult to be precise about the trajectory of growth, some analysts have predicted that the ramp up would take about five years from legalisation before growth settles at "normal" levels. Based on estimates by PointsBet management, online gambling in Ontario is estimated to have a total addressable market of just under C$3.5 billion by 2028 (in net win).

The total addressable market in Canada is expected to expand even further with the anticipated opening of the:

- Alberta market (the fourth largest province, with 12% of the total population), where approximately 55% of the online gambling occurs in the grey market[25]. However, there are limited third party estimates on the potential size of the Alberta market. PointsBet management estimates Alberta to have a total addressable market of C$0.9 billion by 2028 (in net win); and
- British Columbia market (the third largest province, with 14% of the total population), where approximately 50% of the online gambling occurs in the grey market. British Columbia is estimated to have a total addressable market of over C$1 billion by 2028 (in net win)[30], which is broadly in line with the estimates put forward by PointsBet management.

Alberta is the more advanced of the two provinces. In June 2024, the Minister of Service Alberta and Red Tape Reduction declared that it was the province's intention to open a regulated online gambling market inspired by the market in Ontario. In March 2025, the Minister introduced the *iGaming Alberta Act* to the legislature which, if implemented, would create a new Crown corporation named the Alberta iGaming Corporation to "conduct and manage" online gambling operations in the province (as iGO already does for Ontario). The bill is the first step in the launch of the iGaming market in Alberta. Although the Minister indicated his hopes that the new arrangements will be operational by late 2025 or in early 2026, the timing of the launch remains uncertain.

British Columbia is in the much earlier stages of forming a regulatory framework to manage a competitive private market for regulated online gambling (although it does offer regulated online gambling via *PlayNow*, the online gambling site operated by the provincial lottery commission).

Products and Services

Currently, PointsBet Canada operates solely in Ontario. Its products and services generally fall under either:

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26 Source: BetMGM, Investor Day 2022, 12 May 2022. Based on a total addressable market estimate of US$4.4 billion.

27 Source: Rush Street, Investor Presentation, February 2025. Based on a total addressable market estimate of ~US$5.5 billion at maturity.

28 Source: Flutter, Investor Day 2024, 25 September 2024. Based on a total addressable market estimate of US$7 billion by FY30.

29 Source: Regulus Partners, October 2024.

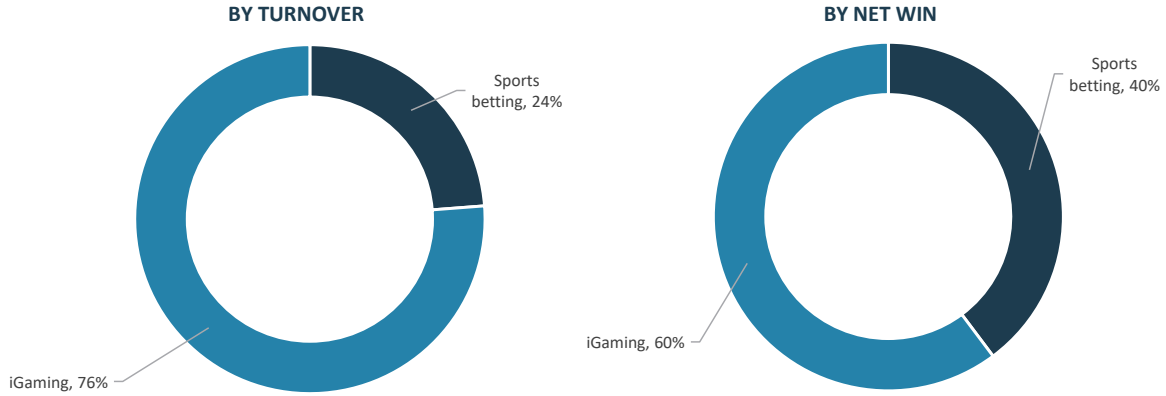
30 Source: British Columbia Lottery Corporation, 2025/26-2027/28 Service Plan, March 2025. Based on projected online gambling revenue in the 2027/28 fiscal year and estimated share of the grey market in the province (around 50%).

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- **sports betting**, which offers largely the same betting product suite as PointsBet Australia (albeit with a much higher share of turnover from in-play bets, at around 70% of total). The betting products and services are also delivered through PointsBet's in-house cloud-based technology platform; or
- **iGaming,** which offers over 650 casino style games (e.g. slots, live dealer and computer-based table games, peer-to-peer bingo, etc.) from North American retail options to digital content from mature European markets as well as jackpots and live casino. Unlike sports betting, iGaming is more dependent on third party suppliers for its platform and content. In particular:
  - some of the technology capabilities on the platform are supported by Strive Gaming Limited ("Strive Gaming"), a full service iGaming platform service provider. PointsBet Canada entered into a strategic partnership with Strive Gaming in early 2022 to accelerate the delivery of its iGaming vertical. The Strive Gaming platform provides PointsBet Canada with a single interface for the underlying integration of games; and
  - casino games are supplied by third parties, including through licence agreements with game developers (e.g. International Game Technology plc, Light & Wonder, Inc. and Evolution AB).

Since PointsBet Canada commenced operations, iGaming has accounted for the majority of PointsBet Canada's turnover and a smaller, but still a majority of its net win:

POINTSBET CANADA – CONTRIBUTION BY SEGMENT (1HY25)



Source: PointsBet

Marketing

PointsBet Canada's marketing strategy is focussed on balancing investments in client acquisitions and delivering lifetime client value.

Given the relatively early stages of the Ontario market, building awareness and recognition of the *PointsBet* brand is a priority. One part of this strategy is its partnership with Maple Leaf Sports & Entertainment Limited ("MLSE") through which PointsBet is designated as the official sports betting partner of MLSE's professional teams, including the Toronto Maple Leafs (NHL), Toronto Marlies (American Hockey League), Toronto Raptors (NBA), Toronto Argonauts (Canadian Football League), and Toronto FC (Major League Soccer).

The partnership provides PointsBet Canada with a platform to market its brand including through:

- rink board branding for all Toronto Maple Leafs home games at Scotiabank Arena and Toronto Marlies home games at Coca-Cola Coliseum as well as:
  - brand coverage on all games (both home and away) on broadcast television that are electronically overlaid on the boards in the broadcast;
  - physical boards with Pointsbet branding in home games; and

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  - electronic signage that is both visible in arena and on broadcast;
- camera-visible courtside LED and front pole branding at Toronto Raptors home games (also at Scotiabank Arena);
- on-field signage at Toronto Argonauts and Toronto FC home games;
- out of home media components such as digital signs along major expressways in Ontario.

Televised sports games that are broadcast nationwide prominently display the *PointsBet* brand for these MLSE-affiliated teams. A similar deal was struck with the Ottawa Redblacks and its home stadium, TD Place, to become the official sportsbook of Canadian football in Ottawa, the capital city of Canada.

This branding strategy is complemented by PointsBet's network of affiliate agreements including with fantasy sports statistics and information hubs and sports blogging sites. These agreements provide affiliates with access to PointsBet odds, analysis and tools while allowing PointsBet to build brand awareness directly with sports fans in Canada. Unlike in Australia, the use of celebrities and athletes (i.e. brand ambassadors) in gambling advertisements is banned in Ontario.

Strategy

PointsBet Canada's long term growth strategy is premised on the expansion of the total addressable market across the country with continued growth in Ontario (as sports betting and iGaming have only been live for three years) as well as the anticipated opening of the Alberta market and the British Columbia market.

Given its existing foothold in the Ontario market, PointsBet Canada's immediate strategic objectives are focused on establishing the *PointsBet* brand and building its credibility in the market. Since its launch, the business has committed significant investment in marketing and brand awareness as well as, in the case of iGaming, building its technology platform (including the expansion of its library of content via third party content agreements).

PointsBet Canada is focused on building its market position in Ontario by:

- continuing to leverage the *OddsFactory* technology capabilities to innovate and develop new live sports betting products. Sports betting remains its primary "right to win" in Canada given its proven track record and capabilities in the Australian market; and
- investing in improving generosity and loyalty, expanding promotional tools and capabilities and improving loyalty programs for iGaming.

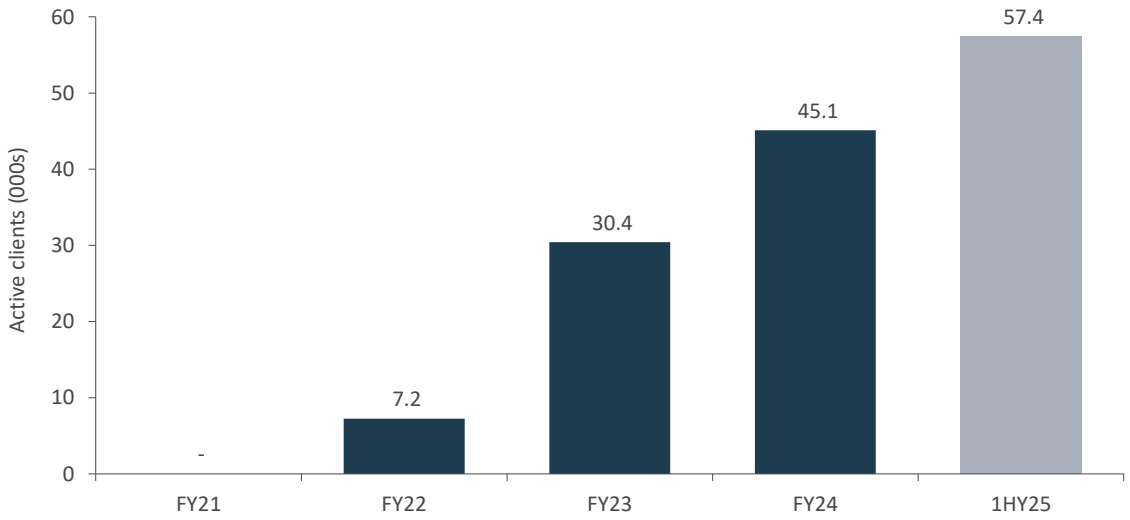
Successful execution of its strategy in Ontario should enhance PointsBet's competitive position in the new markets that are expected to go live over the coming years.

Operating Performance

Since its launch in April 2022, PointsBet Canada has rapidly increased its active client base:

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POINTSBET CANADA – ACTIVE CLIENTS



Source: PointsBet, iGaming Ontario

Active clients includes both sports betting and iGaming clients that have made a bet with PointsBet Canada in the last 12 months. The rapid step-up in PointsBet Canada's active clients broadly mirrors that of PointsBet Australia in the years following its inception and has been largely driven by the roll-out of betting products, significant amounts of marketing and promotional spend as well as enhancements to its iGaming offering.

The historical operating performance of PointsBet Canada for FY22 to FY24 as well as 1HY25 is summarised in the table below:

POINTSBET CANADA – HISTORICAL OPERATING PERFORMANCE ($ MILLIONS)

	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
Sports Betting				
Total turnover	16.0	194.8	255.0	166.7
Gross Win	0.7	12.4	23.0	11.7
Net Win	**(0.5)**	**6.8**	**15.2**	**7.2**
Net Win margin %	*-3.1%*	*3.5%*	*6.0%*	*4.3%*
IGaming				
Total turnover	35.3	620.6	892.6	533.9
Gross Win	0.7	12.7	21.4	12.0
Net Win	**0.7**	**11.5**	**18.8**	**10.9**
Net Win margin %	*1.9%*	*1.9%*	*2.1%*	*2.0%*
Total PointsBet Canada				
Total Revenue	**0.2**	**18.2**	**34.0**	**18.2**
EBITDA	**(15.6)**	**(35.8)**	**(19.7)**	**(12.2)**

Source: PointsBet and Grant Samuel analysis

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POINTSBET CANADA – HISTORICAL OPERATING PERFORMANCE ($ MILLIONS) (CONTINUED)

	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	1HY25 ACTUAL
KEY STATISTICS				
Active client growth (%)	--	*+320.3%*	*+48.2%*	*+48.6%*
Turnover growth (%)	--	*n.m.*	*+30.9%*	*+40.2%*
Revenue growth (%)	--	*n.m.*	*+86.8%*	*+17.0%*
EBITDA margin	*n.m.*	*n.m.*	*n.m.*	*n.m.*
Marketing expense ($ millions)	*12.8*	*29.3*	*25.8*	*12.7*

Source: PointsBet and Grant Samuel analysis

PointsBet Canada's performance over the last three and a half years reflects the ramp-up of its operations and client uptake of its products. Revenue and net win across both sports betting and iGaming have stepped up in each period as the increase in active clients has led to increased turnover for the business.

However, its net win margin on its sportsbook has been uneven since inception. Between FY22 and FY24, the net win margin gradually improved from -3.1% to 6.0% as PointsBet Canada's early investments in promotions began to pay off. The increasing proportion of higher margin products (e.g. multis and in-game betting) helped push the net win margin higher, reaching 7% by the last quarter of FY24. However, these gains were reversed in 1HY25 when net win margin fell to 4.3%. Although PointsBet Canada continued to increase the proportion of in-play betting products in its product mix, its net win margin in 1HY25 was negatively affected by one-off issues including one of the most customer-friendly seasons across the NFL as well as higher than expected customer payouts on slots games (which had a similar negative impact on its iGaming net win margin). PointsBet regards these events in 1HY25 as one-off.

Despite the progress made since its launch, PointsBet Canada remains loss making at the EBITDA level. Some of these losses can be attributed to its lack of scale as it has yet to fully ramp up its operations (even in Ontario). The scale of marketing spend since its inception (over $80 million) has more than offset the revenue generated over the period (around $70 million). Despite the reduction in marketing spend in FY24, it remains one of the largest cost drivers for the business in 1HY25 as PointsBet Canada continues to invest in establishing itself in the market and capturing market share.

As is the case for PointsBet Australia, EBITDA for PointsBet Canada includes internal charges for technology and allocated personnel and non-cash costs associated with share based payments.

Outlook

PointsBet provided guidance on group revenue and EBITDA in conjunction with the release of its FY24 results on 22 August 2024 and updated this guidance on announcement of its second quarterly results on 31 January 2025. Specific revenue and EBITDA guidance for PointsBet Canada was not provided. However, PointsBet provided the following commentary in relation to the medium term (3-5 years) prospects for PointsBet Canada:

- the total addressable market across online sportsbook and iGaming is significant. At the end of January 2025, the total market in Ontario was already over C$3 billion (measured in trailing 12 months' net win). The total opportunity in Canada is expected to nearly double by FY28 with the opening of Alberta (in FY27) and British Columbia (in FY28) as well as continued growth in Ontario;
- sports betting is expected to remain the flagship vertical for PointsBet Canada. As a sports-first operator, PointsBet Canada expects its sports betting share to remain higher than its share in the iGaming segment even as it invests to increase its share across both verticals; and

- profitability would continue to improve with increased scale. Monthly EBITDA is expected to be breakeven towards the end of the year, with FY26 potentially being the first full year of positive EBITDA for PointsBet Canada.

To provide an indication of the expected future financial performance of PointsBet Canada, Grant Samuel has considered brokers' forecasts for PointsBet Canada (see Appendix 1) as follows:

POINTSBET CANADA – FORECAST FINANCIAL PERFORMANCE ($ MILLIONS)

	FY24 ACTUAL	BROKERS' FORECAST	
		FY25 (MEDIAN)	FY26 (MEDIAN)
Net revenue	34.0	47.4	70.2
Normalised EBITDA	(19.2)	(7.9)	4.6
STATISTICS			
Net revenue growth	*+39.4%*	*+39.4%*	*+48.1%*
Normalised EBITDA margin	*-56.4%*	*-16.7%*	*6.6%*

Source: Grant Samuel analysis (see Appendix 1)

Normalised EBITDA excludes approximately $0.5 million in share option expense.

Given the early stage nature of Canada's sports betting and iGaming market, there is a very wide spread of estimates of PointsBet Canada's future revenue and EBITDA. The median consensus broker forecasts for revenue and EBITDA differ materially from PointsBet's internal projections.

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6 Valuation of PointsBet

6.1 Summary

Grant Samuel has valued PointsBet in the range $334-388 million which corresponds to a value of $0.96-1.11 per share. The valuation is summarised below:

POINTSBET - VALUATION SUMMARY ($ MILLIONS)

	REPORT SECTION REFERENCE	VALUE RANGE	
		LOW	HIGH
Business operations[31]	6.4	318.8	372.4
Other assets and liabilities	6.5	--	--
Enterprise value		**318.8**	**372.4**
Net cash	6.6	15.4	15.4
Value of equity		**334.2**	**387.8**
Fully diluted shares on issue (millions)[32]		347.8	347.8
Value per share		**$0.96**	**$1.11**

The valuation represents the estimated full underlying value of PointsBet assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect PointsBet shares to trade on the ASX in the absence of a change of control transaction. Shares in a listed company normally trade at a discount to the underlying value of the company as a whole.

6.2 Methodology

6.2.1 Overview

The most reliable evidence as to the value of a business is the price at which the business or a comparable business has been bought and sold in an arm's length transaction. In the absence of direct market evidence of value, estimates of value are made using methodologies that infer value from other available evidence. There are four primary valuation methodologies that are commonly used for valuing businesses:

- capitalisation of earnings or cash flows;
- discounting of projected cash flows;
- industry rules of thumb; and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved.

6.2.2 Capitalisation of Earnings or Cash Flows

Capitalisation of earnings or cash flows is the most commonly used method for valuation of industrial businesses. This methodology is most appropriate for industrial businesses with a substantial operating

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[31] The value of PointsBet's business operations includes unallocated corporate overhead costs, net of synergies that could be achieved by multiple acquirers of PointsBet.

[32] Fully diluted share on issue includes 16,079,446 performance share rights as, under the Scheme, all performance share rights will effectively be extinguished for cash consideration at a price equal to the Scheme consideration of $1.06. All outstanding options on issue are expected to lapse and have not been included.

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history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. It is not particularly suitable for start-up businesses, businesses with an erratic earnings pattern or businesses that have unusual capital expenditure requirements. This methodology involves capitalising the earnings or cash flows of a business at a multiple that reflects the risks of the business and the stream of income that it generates. These multiples can be applied to a number of different earnings or cash flow measures including EBITDA, EBIT (or EBITA[33]) or NPAT. These are referred to respectively as EBITDA multiples, EBIT multiples (or EBITA multiples) and price earnings multiples. Price earnings multiples are commonly used in the context of the sharemarket. EBITDA and EBIT (or EBITA) multiples are more commonly used in valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer but are also used extensively in sharemarket analysis.

Where an ongoing business with relatively stable and predictable cash flows is being valued, Grant Samuel uses capitalised earnings or operating cash flows as a primary reference point.

Application of this valuation methodology involves:

- estimation of earnings or cash flow levels that a purchaser would utilise for valuation purposes having regard to historical and forecast operating results, non-recurring items of income and expenditure and known factors likely to impact operating performance; and
- consideration of an appropriate capitalisation multiple having regard to the prices at which comparable businesses trade, the extent and nature of competition, the time period of earnings used, the quality of earnings, growth prospects and relative business risk.

While EBITDA multiples are commonly used benchmarks they are an incomplete measure of cash flow. The appropriate multiple is affected by, among other things, the level of capital expenditure (and working capital investment) relative to EBITDA. In this respect:

- EBIT (or EBITA) multiples can in some circumstances be a better guide because (assuming depreciation is a reasonable proxy for capital expenditure) they effectively adjust for relative capital intensity and present a better approximation of free cash flow. However, capital expenditure is lumpy and depreciation expense may not be a reliable indicator of ongoing capital expenditure. In addition, there can be differences between companies in the basis of calculation of depreciation. Where this is an issue, another metric that can be useful is EBITDA-Capital Expenditure (sometimes referred to as Operating Cash Flow); and
- businesses that generate higher EBITDA margins than their peer group companies will, all other things being equal, warrant higher EBITDA multiples because free cash flow will, in relative terms, be higher (as capital expenditure is a smaller proportion of earnings).

Determination of the appropriate earnings multiple is usually the most judgemental element of a valuation. Definitive or even indicative offers for a particular asset or business can provide the most reliable support for selection of an appropriate earnings multiple. In the absence of meaningful offers it is necessary to infer the appropriate multiple from other evidence.

The primary approach used by valuers is to determine the multiple that other buyers have been prepared to pay for similar businesses in the recent past. However, each transaction will be the product of a unique combination of factors, including:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
- strategic attractions of the business - its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;

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[33] EBITA is earnings before net interest, tax, depreciation and amortisation of acquired intangibles and significant and non-recurring items. EBITA includes non-cash costs associated with share based payments.

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- rationalisation or synergy benefits available to the acquirer;
- the structural and regulatory framework;
- investment and sharemarket conditions at the time; and
- the number of competing buyers for a business.

A pattern may emerge from transactions involving similar businesses with sales typically taking place at prices corresponding to earnings multiples within a particular range. While averages or medians can be determined it is not appropriate to simply apply such measures to the business being valued. The range will generally reflect the growth prospects and risks of those businesses. Mature, low growth businesses will, in the absence of other factors, attract lower multiples than those businesses with potential for significant growth in earnings. The most important part of valuation is to evaluate the attributes of the specific business being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it appropriately belongs.

An alternative approach in valuing businesses is to review the multiples at which shares in listed companies in the same industry sector trade on the sharemarket. This gives an indication of the price levels at which portfolio investors are prepared to invest in these businesses. Share prices reflect trades in small parcels of shares (portfolio interests) rather than whole companies and it is necessary to adjust for this factor. To convert sharemarket data to meaningful information on the valuation of companies as a whole, it is market practice to add a "premium for control" to allow for the premium which is normally paid to obtain control through a takeover offer. This premium is typically in the range 20-35%.

The premium for control paid in takeovers is observable but caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations, premiums may be minimal or even zero. It is inappropriate to apply an average premium of 20-35% without having regard to the circumstances of each case. In some situations, there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering.

Acquisitions of listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall sharemarket levels and ratings between countries, economic factors (economic growth, inflation, interest rates) and market structures (competition, etc.) and the regulatory framework (including accounting practices). It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or sharemarket levels.

The analysis of comparable transactions and sharemarket prices for comparable companies will not always lead to an obvious conclusion as to which multiple or range of multiples will apply. There will often be a wide spread of multiples and the application of judgement becomes critical. Moreover, it is necessary to consider the particular attributes of the business being valued and decide whether it warrants a higher or lower multiple than the comparable companies. This assessment is essentially a judgement.

6.2.3 Discounted Cash Flow

Discounting of projected cash flows has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries, including resources, and for the valuation of start-up projects where earnings during the first few years can be negative but it is also widely used in the valuation of established industrial businesses. Discounted cash flow valuations involve calculating the NPV of projected cash flows. This methodology is able to explicitly capture depleting resources, development projects and fixed terms contracts (which are typical in the resources sector), the effect of a turnaround in the business,

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the ramp up to maturity or significant changes expected in capital expenditure patterns. The cash flows are discounted using a discount rate which reflects the risk associated with the cash flow stream.

Considerable judgement is required in estimating future cash flows and it is generally necessary to place great reliance on medium to long term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgement. In addition, even where cash flow forecasts are available, the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a "de facto" cash flow capitalisation valuation). The NPV is typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, discounted cash flow valuations are commonly used and can play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions as to expected future performance need to be made.

6.2.4 Industry Rules of Thumb

Industry rules of thumb are commonly used in some industries. For example, in online gambling a common metric might be value per active customer. These are generally used as a "cross check" of the result determined by a capitalised earnings valuation or by discounting cash flows. While they are only used as a cross check in most cases, industry rules of thumb can be the primary basis on which buyers determine prices in some industries. However, it should be recognised that rules of thumb are usually relatively crude and prone to misinterpretation.

6.2.5 Net Assets/Realisation of Assets

Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not going concerns. They effectively reflect liquidation values and typically attribute no value to any goodwill associated with ongoing trading.

6.3 Approach for PointsBet

6.3.1 Overview

Grant Samuel's valuation of PointsBet has been determined by aggregating the estimated market value of its business operations (on a control basis), deducting corporate overheads (adjusted for potential savings) and adding net cash. The value of the business operations has been estimated on the basis of fair market value as a going concern, defined as the maximum price that could be realised for 100% of PointsBet in an open market over a reasonable period of time assuming that potential buyers have full information.

In the case of PointsBet Australia, emphasis was placed on both the DCF analysis and capitalisation of earnings (EBITDA and EBITA) methodology. However, both methodologies have limitations:

- the results of the DCF analysis for PointsBet Australia need to be treated with caution given the wide array of credible assumptions (in particular, in relation to overall industry growth rates, PointsBet's ability to maintain or grow market share as well as long term net win rates and associated marketing spend required to sustain its market position) that can be adopted and the very wide range of NPVs that can be calculated; and
- assessment of multiples implied by the value range is complicated by the fact that most of the transactions involving Australian online bookmakers (for which valuation multiples can be calculated) occurred over a decade ago. The industry has evolved substantially in the years since these

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transactions were completed. Evidence from listed peers can supplement the analysis although it would need to compare and distinguish PointsBet Australia by considering individual characteristics such as scope of activities, size, market position, growth opportunities, competitive environment and risks.

The valuation of PointsBet Canada involves another layer of uncertainty. The business is currently loss making and the regulated online gambling industry in Canada is in the early stages of development. The regulated online gambling market in Ontario was only launched three years ago and still has runway for growth. There is substantial potential for the expansion of the total addressable market through the legalisation of online gambling in other provinces (albeit that if and when this occurs is uncertain). A DCF analysis is generally considered the best way of estimating value for businesses that are at an early stage of development as it can explicitly capture the roll-out of the business and the progression from incurring losses and/or capital expenditure (or upfront marketing spend) in early years through to generating sustainable profits and positive cash flows. However, it is important to recognise that:

- any forecast of cash flows is inherently uncertain particularly beyond the first year and, in the case of businesses such as PointsBet Canada, that uncertainty is amplified;
- the cost of equity (and discount rates in general) is a forward looking construct and is not observable. It must be inferred from other data (usually historical). None of this data is particularly reliable and there is not much in the way of useful data for a specific market such as Canada so estimates for the discount rate necessarily involve a substantial element of judgement;
- the terminal value (or the value of cash flows beyond the explicit forecast period) usually represents a high proportion of value. In the case of PointsBet Canada, it is over 60% of the NPV (in the case of all three provinces going live) because PointsBet Canada expects to generate negative cash flows for the first few years of the forecast period as it builds its market presence in Canada and additional markets ramp-up as they go live. Accordingly, the NPV becomes critically dependent on the cash flow forecast in the final year of the forecast period and the "multiple" implicit in the calculation of the terminal value; and
- NPVs are typically extremely sensitive to relatively small changes in underlying assumptions (e.g. market revenue growth, market shares, margins).

As a result, it is usually best practice to consider a number of scenarios for key assumptions and to examine the results of using other valuation methodologies to sense check or balance the DCF analysis. However, caution is warranted in the case of PointsBet Canada:

- earnings multiples are meaningless because the business is lossmaking and there is a low degree of certainty around its earnings outlook (given the very wide range of broker estimates);
- revenue multiples are a common metric particularly in the technology sector where many businesses are in a start up phase. However:
  - revenue multiples are a very crude basis for value benchmarking as they do not take account of the many differences in the underlying business that could impact the timing and level of profit generation;
  - revenue multiples can vary substantially between participants meaning that no reliable value conclusions can realistically be drawn; and
  - in a sector that has started from scratch (in 2022) and will undergo rapid growth over the next decade as individual markets open up, it is almost impossible to find a benchmark year that could serve as a reliable base of comparison (historical results would be meaningless); and
- "rule of thumb" methodologies such as attributing a value to the number of customers are an unreliable valuation metric given that, at this stage of development, it is not possible to predict customer numbers, average betting levels or tenure with meaningful precision.

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Notwithstanding the limitations, the value range for PointsBet's business operations is supported by both the multiples analysis and the DCF analysis.

A net assets/realisation of assets methodology is not appropriate for either of PointsBet's business operations and has not been applied in the analysis.

The value range selected for each of PointsBet's business operations is a judgement. It is not a mechanical process. Grant Samuel does not believe that its valuation approach is capable of being reduced to a simple weighting of the various methodologies considered or being expressed in percentage terms (nor would this be meaningful to shareholders).

6.3.2 Specific Issues

The following factors should be noted when considering the value range assessed by Grant Samuel:

Valuation Date

The valuation of PointsBet is at 31 December 2024. It utilises the balance sheet at that date and the DCF analysis incorporates cash flows from 1 January 2025.

Single Business or Sum of the Parts Valuation

PointsBet's business operations in Australia and Canada have been valued separately. There are a number of reasons for this approach:

- they are separate business operations. Specifically, PointsBet Australia and PointsBet Canada:
  - are geographically separate;
  - do not have any interaction at a customer level; and
  - are structured as individual businesses with their own senior leadership teams. With the exception of a shared technology platform and corporate services, they operate independently of each other (albeit under the oversight of senior group executives including the group CEO);
- while the economic drivers of each business operation are similar (i.e. growth in adult population and propensity to gamble), there are stark differences between the Australian and Canadian online wagering markets in relation to growth prospects and risk. In particular:
  - the regulated market in Australia is mature and has a long track record of operations. On the other hand, the regulated market in Canada is in a much earlier stage of development having been launched only three years ago;
  - the growth outlook for Canada is heavily dependent on unlocking new addressable markets through the legalisation of online gambling in new provinces (e.g. Alberta and British Columbia), whereas growth in Australia is expected to be incremental at best; and
  - iGaming accounts for the largest share of PointsBet Canada's turnover and revenue (as well as growth opportunity) but is not offered by PointsBet Australia;
- transaction evidence is available for the online wagering industry in Australia although most of these benchmarks occurred over ten years ago. Grant Samuel has also considered recent transactions involving global majors where they provide additional or supporting evidence. Although there is very limited transaction evidence for online wagering or iGaming peers in Canada, PointsBet's sale of its U.S. business in 2023 is a useful benchmark. Implied metrics from other failed sale processes in those markets can also provide further context; and
- there are only two comparable listed companies for online wagering in Australia (although each has its own limitations as a valuation benchmark) and there are none specifically focused in Canada.

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Again, Grant Samuel has considered relevant listed companies globally where they provide additional or supporting evidence.

Although the two trading businesses have been valued separately, it is important to recognise that they have been valued under their current structure (i.e. as a "value in use") rather than as separately realisable values for each of the businesses. PointsBet has advised that the technology licence for the Banach assets (which gives access to the *OddsFactory* technology that underpins much of its product suite and development) can only be exploited within the group in which it is held. It cannot be sublicensed, split or separated if one of the businesses exits the group. It would either need to stay with the remaining company or be sold along with the divested business. Such a separation would greatly diminish the value of the business that loses access to the technology.

Earnings for Valuation Purposes

EBITDA and EBIT have been used in the earnings multiple analysis. While Grant Samuel's preferred approach is to rely on EBITA multiples (as opposed to EBIT) as EBITA is before the impact of amortisation of identifiable intangible assets acquired in prior transactions (e.g. customer contracts and relationships), PointsBet does not have material finite life intangible assets besides internally developed software (which means that there is no meaningful difference between PointsBet's EBITA and EBIT).

PointsBet's earnings (or in the case of PointsBet Canada, other industry rules of thumb) for valuation purposes are summarised in the table below:

POINTSBET – CALCULATION OF EARNINGS FOR VALUATION PURPOSES ($ MILLIONS)

	FY24 ACTUAL	FY25 GUIDANCE / BROKER	FY26 BROKER
POINTSBET			
Normalised EBITDA[34]	(1.1)	12.5	31.1
less: share option expense	(2.3)	(3.0)	(3.1)
less: rental payments	(1.5)	(1.6)	(2.0)
Adjusted EBITDA	**(5.0)**	**7.9**	**26.0**
Adjusted EBIT	**(31.2)**	**(13.3)**	**7.2**
POINTSBET AUSTRALIA			
Normalised EBITDA	27.9	33.0	36.8
less: share option expense	(1.8)	(1.5)	(1.5)
less: rental payments	(0.9)	(0.9)	(1.0)
Adjusted EBITDA	**26.0**	**30.6**	**34.3**
Adjusted EBIT[35]	**6.3**	**14.7**	**20.2**
POINTSBET CANADA			
Revenue	34.0		
Normalised EBITDA	(19.2)		
less: share option expense	(0.4)		
less: rental payments	(0.6)		
Adjusted EBITDA	**(20.3)**		
Adjusted EBIT[35]	**(26.9)**		

[34] Earnings for PointsBet is net of unallocated corporate overhead costs.

[35] Depreciation and amortisation (excluding amortisation in relation to right of use assets) have been allocated to each of the trading businesses. Approximately 75% is allocated to PointsBet Australia, with the remainder to PointsBet Canada.

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Share option expense has been deducted from EBITDA. While it is non cash, the expense is representative of incentives that PointsBet would need to offer to attract and retain employees. Rental payments have also been deducted as the lease liability balance ($2.3 million) does not fully reflect the impact of the cost (and it has not been deducted from the cash balance).

Currency

Each of PointsBet's business operations has been valued in its local currency.

Cash flows for PointsBet Australia are in Australian dollars and, accordingly, no conversion is needed. The cash flows for PointsBet Canada are in its local currency (i.e. Canadian dollars) and the value range has been converted into Australian dollars at an exchange rate of C$0.85 per Australian dollar based on the most recent spot exchange rate. Although the exchange rate has historically been closer to C$0.90 per Australian dollar, recent global economic developments have caused a depreciation in the value of the Australian dollar.

Tax Losses

PointsBet has an outstanding balance of income tax losses and capital tax losses. Utilisation of the income tax losses has been included in the DCF analysis (as an offset to taxable income for both PointsBet Australia and PointsBet Canada, as appropriate). However, any potential value from the capital tax losses has not been included as the extent and timing of utilisation of these tax losses will depend on the outcome of any sales of property or capital assets (none of which are contemplated in the valuation). No value has been attributed to research and development tax offsets.

Synergies

Grant Samuel has given consideration to the synergies potentially achievable by acquirers of the business. In this regard, it needs to be recognised that:

- normal valuation practice is to include (either implicitly or explicitly) a value for synergies that are available to multiple acquirers but to exclude synergy value that is unique to a particular acquirer; and
- where earnings multiples from comparable transactions represent primary valuation evidence, adding synergies to earnings or making a further multiple adjustment for synergies would potentially result in "double counting" of value as the multiples from the comparable transactions are usually based on standalone earnings (either reported or forecast) and the value of synergies is therefore reflected in the multiple (i.e. the transaction multiple would be lower if based on earnings including synergy benefits).

6.4 Value of Business Operations

6.4.1 Summary

Grant Samuel has estimated the value of PointsBet's business operations to be in the range $319-372 million:

POINTSBET - VALUATION SUMMARY ($ MILLIONS)

	VALUE RANGE	
	LOW	HIGH
PointsBet Australia	260.0	290.0
PointsBet Canada	58.8	82.4
Unallocated corporate costs (net of synergies)	--	--
Value of PointsBet's business operations	**318.8**	**372.4**

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Valuation of PointsBet's business operations is an overall judgement having regard to a number of valuation methodologies and parameters, including DCF analysis and capitalisation of earnings or cash flows (and, in the case of PointsBet Canada, other industry rules of thumb). The value for PointsBet Canada is C$50-70 million and translated into Australian dollars.

6.4.2 DCF Analysis

Overview

THE FINANCIAL MODEL

The financial model developed by Grant Samuel uses the FY25 Budget as its starting point and the Long Term Plan as a framework. Where appropriate, the financial model includes certain adjustments advised by management on key valuation parameters (e.g. active client numbers and net win rates or net win growth). In the case of PointsBet Australia, Grant Samuel has developed a number of scenarios based on broad assumptions in relation to turnover and net win margin, marketing spend, EBITDA margins and capital expenditure. However, forming views on such bottom-up parameters is extremely difficult for PointsBet Canada. It has a limited track record and the regulated online gambling industry in Ontario remains in its early stages. Accordingly, Grant Samuel has developed a number of scenarios for PointsBet Canada based on broad top-down assumptions in relation to total addressable market size (in net win) and market share as well as marketing spend, EBITDA margins and capital expenditure. None of the scenarios directly tie to the Long Term Plan which was prepared in mid 2024 and is in the process of being revised to reflect the latest views on the Australian and Canadian market and its underlying performance in these markets.

The DCF model projects nominal after tax cash flows from 1 January 2025 to 30 June 2034, a period of nine and a half years, with a terminal value calculated at 30 June 2034 to represent the value of cash flows in perpetuity. The terminal value has been calculated by capitalising net after tax cash flows using a perpetual growth assumption.

LIMITATIONS

The DCF model is based on a number of assumptions and is subject to significant uncertainties and contingencies, many of which are outside the control of PointsBet. Key assumptions regarding future operational performance are highly uncertain and there is scope for significant differences of opinion in relation to these assumptions. As a result of these uncertainties, there is a wide range of potential outcomes that could occur, both positive and negative (and an even greater number of possible combinations of those outcomes).

Moreover, DCF analysis is subject to significant limitations and NPV outcomes need to be treated with considerable caution. The calculated NPVs are extremely sensitive to small changes in assumptions regarding net win growth, margins and capital expenditure for many years into the future. This sensitivity to assumptions regarding future operational performance is accentuated by the fact that the terminal value (the value contributed by cash flows generated after the end of the explicit cash flow forecast period) contributes a high proportion of the overall value.

SCENARIO ANALYSIS

Grant Samuel has considered a number of scenarios to reflect the impact on value of key assumptions relating to active client and turnover growth, gross win and net win margins (and the resulting impact on EBITDA and EBIT margins) and capital expenditure. In the case of PointsBet Canada, some of these key assumptions relate to the anticipated "opening" of new markets in Alberta and British Columbia and their

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impact on the total addressable market in the country. These scenarios have been adopted following discussions with PointsBet's management.

It should be recognised that the scenarios are highly simplified and focus on several key value drivers rather than detailed "bottom up" parameters. Nevertheless, Grant Samuel considers that the analysis does provide some insight into value. In view of the uncertainties surrounding the future growth of PointsBet's business operations, the scenarios analysed are, to some extent, arbitrary. However, Grant Samuel's opinion reflects the range of judgements that potential buyers of the business could make. Nevertheless, the scenarios do not, and do not purport to, represent the full range of potential outcomes for PointsBet's business operations.

The scenarios are inherently hypothetical. They do not represent Grant Samuel's forecasts of the future financial performance of PointsBet. Rather, they are in the nature of "what if". In other words, they are outcomes that could happen rather than projections of what is expected to happen. Grant Samuel gives no undertaking and makes no warranty regarding the future financial performance of PointsBet. Such future performance is subject to fundamental uncertainty. The scenarios have been developed purely to allow Grant Samuel to assess the impact on calculated NPVs of alternative assumptions regarding the future growth and financial performance of PointsBet's business operations.

Discount Rates

SUMMARY

For the purposes of the analysis, Grant Samuel has utilised nominal discount rates (weighted average costs of capital) ("WACC")) in the range 11.0-12.0% for PointsBet Australia and 13.0-14.0% for PointsBet Canada.

The cost of equity has been derived from application of the capital asset pricing model ("CAPM") methodology. The CAPM is probably the most widely accepted and used methodology for determining the cost of equity capital. There are more sophisticated multivariate models which utilise additional risk factors but these models have not achieved any significant degree of usage or acceptance in practice.

The cost of equity capital is not a precise or provable number nor can it be estimated with any degree of reliability. The cost of equity capital is not directly observable and models such as the CAPM do no more than infer it from other data using one particular theory about the way in which security prices behave. The usefulness of any estimate therefore depends on the efficacy of the theory and the robustness of the data but available tools such as the CAPM involve:

- models which have questionable empirical validity (and competing formulation);
- simplifying assumptions;
- the use of historical data as a proxy for estimates of forward looking parameters;
- data of dubious statistical reliability; and
- unresolved issues (such as the impact of dividend imputation).

It is easy to over-engineer the process and to credit the output of models with a precision they do not warrant. The reality is that any cost of capital estimate or model output should be treated as a broad guide rather than an absolute truth. The cost of capital is fundamentally a matter of judgement, not merely a calculation.

While strict application of the CAPM in recent years gave results that were arguably unrealistically low (primarily because of very low government bond rates) and were often inconsistent with other measures, these issues have now subsided as government bond rates have approached historical averages.

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POINTSBET AUSTRALIA

Grant Samuel has calculated a cost of equity for PointsBet Australia in the range 11.1-11.7% using the CAPM and on the following parameters:

- a risk-free rate of 4.4% based on the 10-year Commonwealth Government bond rate as at 31 March 2025;
- a market risk premium of 6% (a standard rate adopted by Grant Samuel), which is similar to that used by a wide variety of analysts and practitioners (typically in the range 5-7%); and
- a beta factor of 1.1-1.2. It is difficult to determine a reliable beta for PointsBet:
  - PointsBet's betas vary significantly depending on the measurement source:
    - over the last four years, PointsBet's beta as measured by the Securities Industry Research Centre of Asia-Pacific ("SIRCA") has varied between around 2.2 and 3.9 and was measured at 2.3 at 31 December 2024[36]. Betas have generally trended downwards over the period, falling sharply over the last nine months to around 2.3-2.5;
    - estimated historical betas by MSCI Barra ("Barra") are substantially lower at around 0.3, albeit with predicted betas closer to around 0.9-1.1; and
    - betas measured by Bloomberg vary across a very wide range depending on the time period (with four year betas above 2.0 but two year betas well below 1.0) and, to a smaller extent, the index its share price is benchmarked against.

    The wide discrepancy in beta estimates is not easily explained. In some respects, a very high beta estimate (even in excess of 2.0) would be expected for a company such as PointsBet when measured over a four or five year period. For many years, it was in a rapid growth phase (particularly in the U.S. market) and benefited from industry tailwinds for online wagering. The challenges that followed brought significant losses. The spectacular rise and subsequent decline in the share price between June 2020 and June 2022 undoubtedly contributed to the high measured beta. At the same time, a low beta could be justified. The large surplus cash balance it carried to fund its U.S. growth strategy may have "muted" some of the impact on the historical beta. More importantly, since its exit from the U.S. market, PointsBet is now a fundamentally different company that principally operates in a mature industry (albeit still retaining an exposure to the early stage Canadian online gambling industry);
  - measured betas for PointsBet's peer group sit across a very wide range. Neither of the ASX listed peers provide useful benchmarks as each of them has undertaken transformational transactions in the last few years (in the case of Tabcorp, the demerger of The Lottery Corporation and, in the case of betr, the merger between BlueBet Holdings Limited and betr). Betas for some of the listed peers (i.e. Evoke and Entain) are also impacted by their financial leverage, which exceeds that of other peers.

    Excluding outliers:

    - Bloomberg betas measured monthly over the last four years against the local market index are in the range 1.1-1.7 (with a median of around 1.4), whereas those measured over two years are higher in the range 1.5-2.4 (with a median of 1.7); and
    - Barra predicted betas are generally more consistent with the Bloomberg four year betas, with a range 1.0-1.5 (median of 1.4).

    Observations of beta estimates measured against global indices (again excluding outliers) are broadly consistent with those measured against local indices; and

[36] Based on latest published data. SIRCA betas are published on a quarterly basis and the data for the most recent quarter end (i.e. 31 March 2025) was not available at the date of this report.

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- gearing levels vary significantly but are not always consistent with the beta factors.

Intuitively, it would be expected that a business such as PointsBet Australia would have a beta of greater than 1.0 given that activity in the online wagering sector is discretionary and correlated with the market as a whole. The maturity of the Australian online wagering market also means that a beta towards the lower end of the peer range (many of which have a larger exposure to earlier stage or high growth markets) may be more appropriate.

Taking these factors into account, Grant Samuel believes that a beta of 1.1-1.2 is a reasonable estimate of the appropriate beta for PointsBet Australia.

No gearing has been assumed in the calculation of WACC. The selection of an appropriate gearing level is highly judgemental and is based on the gearing levels over the past four years of comparable listed companies. Most of the online wagering peers have very little or no debt, with a number consistently having a net cash balance. Betr is the only listed peer that approximates PointsBet's size and market exposure and, similar to PointsBet, it generally maintains a net cash balance. Only a handful of peers have materially higher levels of debt (i.e. in excess of 50% gearing), but even this level of gearing has been a recent shift and is arguably temporary, as it has often been the result of debt-funded acquisitions.

Accordingly, the calculated WACC for PointsBet Australia is equivalent to the calculated cost of equity of 11.1-11.7%.

Grant Samuel considers a discount rate consistent with the calculated WACC to be an appropriate measure of the cost of capital. Accordingly, for this purpose Grant Samuel has adopted a discount rate in the range 11.0-12.0% for PointsBet Australia. This range is above the discount rate adopted by equity analysts that follow PointsBet (largely due to a difference in the gearing assumption). The selected betas are broadly similar.

POINTSBET CANADA

The assessment of an appropriate discount rate for PointsBet Canada is difficult.

There are numerous other listed online gambling companies including competitors of PointsBet (e.g. Flutter, Entain) but they have very different business profiles to PointsBet Canada with substantial existing businesses (including retail betting shop networks) that are generating strong profits and cash flows. The Canadian online sports betting and iGaming businesses of these peers represent a very small proportion (if any) of their total business activity.

In this context, the systematic risk of a business such as PointsBet Canada is different to an established betting business. The substantial investment in the early years (primarily losses and capital expenditure during the ramp up phase) means that the NPV is significantly more volatile. Swings in performance at an operating level (as a result of economy wide fluctuations) have a magnified impact on NPV relative to a steady state profitable business with no major upfront expenditure (i.e. greater operating leverage). There are also very different risk profiles attached to the forecast cash flows of an established business compared to a start up but these risks are more appropriately dealt with by risking the cash flows (e.g. using scenario analysis) rather than making arbitrary adjustments to the discount rate.

One approach to estimating beta (as an input to cost of equity) for PointsBet Canada is to consider the beta factors for peers that are exposed to markets that may be comparable to the Canadian market in terms of the stage of development (i.e. the U.S. market). NorthStar Gaming Holdings Inc. ("NorthStar") is the only listed peer that is purely focused on the iGaming market in Canada but has very limited liquidity and is a loss-making. In any event, its historical betas (around 1.1 against the local index) are not particularly meaningful given its limited trading history (listed in 2023).

Only two of the listed peers are principally focused in the U.S. online sports betting and iGaming market:

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- DraftKings, for which historical beta estimates range between 1.7 and 2.6 (or a predicted beta against the local index of 1.4); and
- Rush Street, for which historical beta estimates range between 1.6 and 2.0 (or a predicted beta against the local index of 1.5).

At the same time, it must be recognised that both DraftKings and Rush Street are much more established operators and have the scale and brand recognition that PointsBet Canada does not yet have.

Having regard to these matters, Grant Samuel considers a discount rate of around 13-14% to be the most appropriate estimate for PointsBet Canada. The adopted discount rate range represents:

- a cost of equity. PointsBet has no debt. In due course, once the business becomes cash flow positive, it could be leveraged but this is probably many years away. On balance, an assumption of zero debt or cash is considered sensible;
- a beta estimate of around 1.6-1.8 (towards the upper end of beta estimates for DraftKings and Rush Street) and a risk free rate of around 3% (in line with the 10 Year Canadian Government Bond rate as at 31 March 2025); and
- a premium of 200 basis points over the discount rate used for PointsBet Australia. In Grant Samuel's view, this premium adequately reflects the magnified variability of NPV outcomes for a start up business.

PointsBet Australia

SUMMARY

Grant Samuel has valued PointsBet Australia in the range $260-290 million.

KEY OPERATING ASSUMPTIONS

For Scenario A, the DCF model assumes the following:

- net win growth reflects a combination of:
  - growth in active clients;
  - stable turnover per active client; and
  - stable gross win margin and generosity spend (i.e. net win margin remains steady at 10% over the projection period).

  Average annual growth in net win over the projection period is around 4% as net win increases from just over $230 million in FY24 to around $350 million by FY34. Net win is largely flat in FY25 and grows at a rate of 5% per annum over the next three years (i.e. assuming some market share growth) before reverting to industry level growth rates of 4% per annum over the remainder of the projection period. While a 4% market growth may appear modest, future growth will be inhibited by the tight regulatory regime.

  Although better targeted promotions (i.e. generosity) and product improvements should support continued expansion in net win margin, at this stage, there is no evidence that further uplifts beyond 10% can be sustained in the long term (at least without adverse impacts on turnover). PointsBet Australia is still expected to continue lagging industry operators such as Sportsbet and Tabcorp due to its smaller scale and, to some degree, its focus on the sports betting segment.

  The result of the above assumptions is that net revenue increases from around $210 million in FY24 to just under $320 million in FY34, representing an average annual growth rate of 4% (same as net win);

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- gross margin remains broadly at around 52-53% over the projection period as the increase in point of consumption taxes in Victoria is absorbed by the business. There are no other changes to the tax regime during the projection period;
- total operating expenses ($85 million in FY25) grows at just over inflation (of 2.5%) over the projection period reflecting the largely fixed cost base.

  Marketing spend represents the largest share of PointsBet Australia's operating expenses and accounts for nearly half of total spend. The vast majority of marketing spend is fixed (or at least, at the discretion of PointsBet management) but a small proportion of costs (e.g. affiliate marketing) is variable as the business increases in scale. Marketing spend is reduced in FY25 and FY26 from FY24 levels (to under $45 million per annum) before growing at inflation over the remainder of the projection period. The marketing cost ratio improves to around 16-17% of revenue by FY28 and remains at this level.

  Other operating expenses are principally:

  - labour costs (i.e. staff remuneration and share options expense), which are largely fixed; and
  - technology costs (i.e. software licences), which comprise a mix of fixed and variable costs. Fixed costs grow slightly above inflation through FY28 before reverting to inflationary growth. Variable costs remain broadly stable at under 5% of turnover;
- the result of the above assumptions is EBITDA growth of around 8% per annum over the projection period and an improvement in EBITDA margin from 13% in FY24 to around 18.5% by FY34, reflecting the combination of net win growth and operating leverage in the business.

  Although a long term EBITDA margin in the high teens is much higher than PointsBet has achieved in the past, there are reasons to believe that lifting margins to these levels is plausible:

  - the largely fixed cost base offers significant operating leverage as the business expands;
  - net win margins have been on an upwards trend in recent years and have been at over 10% in the last 12 months as higher margin products (e.g. same game multis) account for an increasing share of the product mix; and
  - there is clear evidence that higher EBITDA margins can be achieved in the industry. Sportsbet has consistently delivered EBITDA margins in excess of 20% and, although its superior margins may be attributable to its scale, there is obviously some room for margin expansion as PointsBet Australia grows its business (albeit perhaps not to the same extent);
- other cash flows include:

  - capital expenditure of around $10-12 million per annum (allocated to PointsBet Australia) principally in relation to software development costs to maintain the betting platform and in-house tech stack;
  - rental costs (which are not included in the calculation of EBITDA) of around $1 million per annum over the projection period, principally in relation to head office lease payments; and
  - working capital based on an average of 45 days payables outstanding, broadly consistent with historical levels;
- a corporate tax rate of 30%; and
- terminal growth of 2.5%.

DCF SCENARIOS

Grant Samuel has also considered the impact of alternative assumptions for the key drivers to provide an indication of the sensitivity of the NPV outcome to changes in these drivers. Long term assumptions have

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been made by Grant Samuel with reference to the Long Term Plan and following discussions with PointsBet's management. A description of each scenario is outlined in the table below:

POINTSBET AUSTRALIA – DCF SCENARIOS

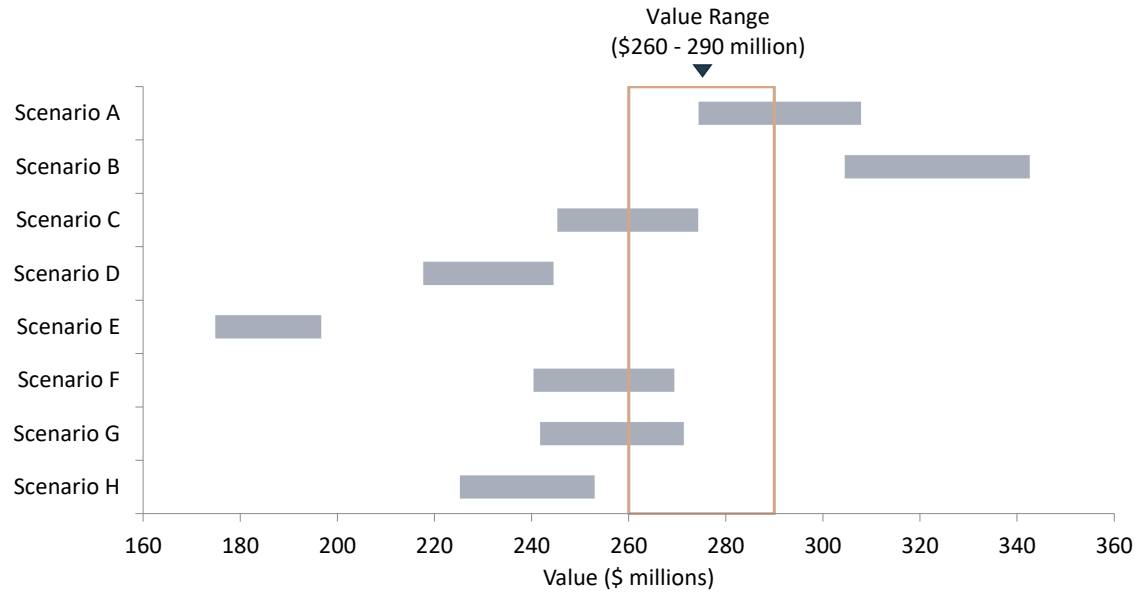
SCENARIO	DESCRIPTION
Scenario A	As above
Scenario B	Scenario A, except higher net win growth of 4.5% per annum over the projection period from higher market growth. EBITDA margin increases to 19.5% by FY34.
Scenario C	Scenario A, except lower net win growth of 3.5% per annum over the projection period from lower market growth. EBITDA margin expands from historical levels but only to 17% by FY34.
Scenario D	Scenario A, except higher promotions and generosity required to sustain turnover and gross win levels. Net win margin falls to around 9.5% over the projection period (albeit with no offsetting impact from turnover), with net win growing at an average of around 3.5% per annum. EBITDA margin expands from historical levels but only to 16.5% by FY34.
Scenario E	Scenario A, except even higher promotions and generosity required to sustain turnover and gross win levels. Net win margin falls to around 9.0% over the projection period (albeit with no offsetting impact from turnover), with net win growing at an average of around 3% per annum. EBITDA margin expands from historical levels but only to 15% by FY34.
Scenario F	Scenario A, except an increase to point of consumption taxes is implemented in New South Wales, pushing the tax from 15% to 20% by FY27. Net win remains unchanged but gross margin falls by 200 basis points from FY27 onwards. EBITDA margin expands from historical levels but only to 16.5% by FY34.
Scenario G	Scenario A, except 10% more marketing spend per annum is required to support market share, pushing market spend as a % of revenue to 18-19% over the projection period. EBITDA margin expands from historical levels but to just under 17% by FY34.
Scenario H	Scenario A, except 15% more marketing spend per annum is required to support market share, pushing market spend as a % of revenue to 19-20% over the projection period. EBITDA margin expands from historical levels but only to 16% by FY34.

NPV OUTCOMES

Grant Samuel's selected value range of $260-290 million for PointsBet Australia reflects a subjective balancing of the scenarios and a view that the appropriate discount rate to apply is 11-12%. This is depicted diagrammatically below:

POINTSBET AUSTRALIA – NPV OUTCOMES

(AT 11.0-12.0% DISCOUNT RATE)



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Grant Samuel has considered the NPV outcomes for all the scenarios in determining its value range for PointsBet Australia. However, the weight given to each scenario in considering the value range was subjective and not capable of being expressed in percentage terms.

Assessing the NPV outcomes from each scenario needs to be considered in the context of the earnings headwinds faced by PointsBet Australia:

- further improvement in financial performance is expected to be incremental. There are no "silver bullets" that can offer a step-change in earnings (e.g. cost outs or product innovation although there is some scope for further cost optimisation);
- market shares have been largely stable and the industry is robustly competitive. Any gain in market share would be hard won and require significant marketing spend or promotions that may not translate to value. Very few buyers would assume consistently achieving above-market growth over the longer term to gain share; and
- much of the risk is to the downside:
  - regulatory headwinds (e.g. potential ad bans, anti-money laundering actions) continue even after a series of legislative reforms that have made it increasingly costly and difficult to operate as an online bookmaker in Australia; and
  - the recent reduction in marketing spend may partly reflect the pullback across the industry (with some peers suffering steep declines in profitability). It is uncertain how a moderation of negative sentiment surrounding the industry would affect the appetite to spend.

In this context, the key issues are whether the online wagering industry as a whole can grow and whether PointsBet can capitalise on the broader industry growth (in light of the downside risks) given the operating leverage of its business.

Scenario A incorporates net win growth that is broadly in line with industry growth expectations (albeit with a brief period of outperformance by PointsBet in the initial years), which Grant Samuel considers to be reasonable given PointsBet Australia's performance relative to peers over the last couple of years and, at least in the short term, opportunity to win share given the recent regulatory issues affecting one of the larger peers. Scenario B represents an upside scenario where the market grows faster than anticipated, whereas Scenario C represents a more conservative growth scenario that effectively reflects only the sum of adult population growth and inflation.

The remaining scenarios illustrate the potential downside of some of the challenges facing the business. Scenarios D and E demonstrate the impact of a reversal of the improvements in net win margins achieved over the last 12 months. The impact on NPV for Scenario E is particularly severe but does not take into account mitigating measures (e.g. cost reductions) that PointsBet should be able to undertake or the benefit from higher turnover due to the lower net win margins.

Other key unknowns include:

- regulatory uncertainties (Scenario F). Although no changes to the point of consumption tax regime are being considered at this time, the industry has been and will likely continue to be a target for higher taxes in the future. In 2024, the New South Wales Government was cited as considering raising tax rates further but, in its last budget, elected not to proceed. There is no certainty that such an increase would not be revisited again in the future; and
- cost discipline (Scenarios G and H). The extent to which PointsBet Australia can maintain discipline on marketing spend is yet to be tested and may be influenced by how the competitive environment evolves. Marketing spend has typically represented around 20-30% of net revenue once the market reaches maturity but may be lower for those with established client bases and/or substantial scale.

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Grant Samuel's value range for PointsBet Australia incorporates only the top end (at best) of these downside scenarios given their uncertainty and PointsBet's ability to, in some circumstances, mitigate the impact. At the same time, it should be recognised that even in the downside scenarios, revenue grows by approximately 3.5% per annum and the EBITDA margin expands from current levels of 10% to more than 15%.

PointsBet Canada

SUMMARY

Grant Samuel has valued PointsBet Canada in the range C$50-70 million which equates to $59-82 million at an exchange rate of $1 = C$0.85.

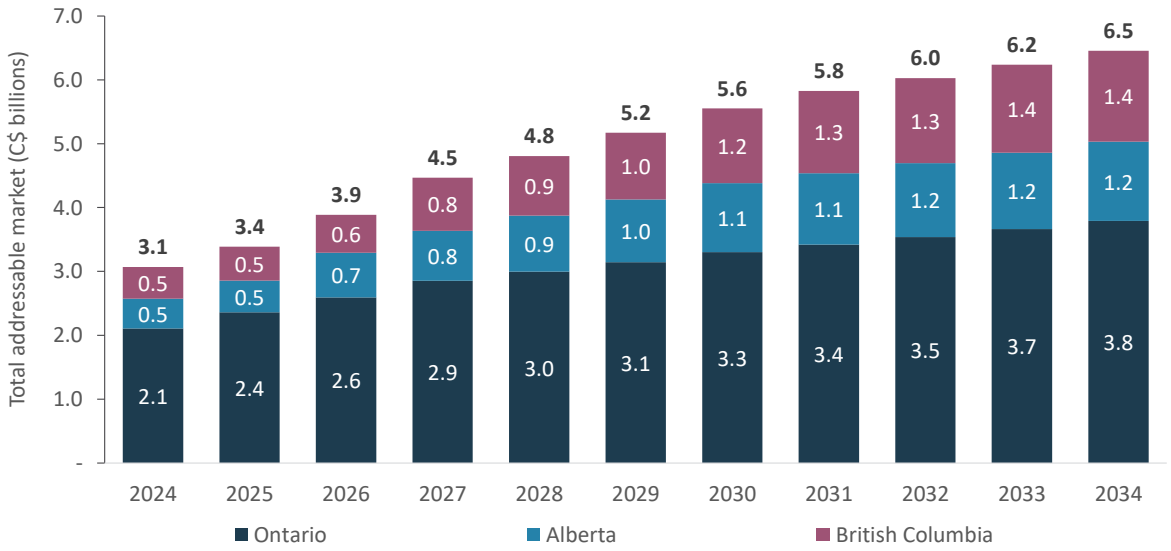
KEY OPERATING ASSUMPTIONS

Determining bottom-up valuation parameters for PointsBet Canada is much more difficult given its limited track record and the extremely wide range of plausible outcomes (particularly given the early stages of the industry in Ontario, let alone the potential new markets in Alberta and British Columbia). It is nearly impossible to assess with any certainty the individual components (e.g. active clients, gross win rates, etc.) in a forecast. In Grant Samuel's view, a top-down approach that considers the size of the total addressable market and PointsBet Canada's target market share provide shareholders with a more useful analysis to understand the range of potential NPV outcomes for PointsBet Canada.

In August 2024, PointsBet provided the market with its longer term estimates of the potential size of the online sports betting and iGaming market in Canada. These estimates suggested that the total addressable market (in net win) could reach C$5 billion by FY28 (or, at around $5.7 billion across three provinces, would be roughly equivalent in size to the sports betting market in Australia). Since these estimates were published, PointsBet management has advised that although the potential opportunity remains substantial, there is some timing risk (of say 1-2 years) of achieving that C$5 billion threshold.

The chart below summarises the total addressable market projections adopted by Grant Samuel in its NPV analysis for each of the provinces:

POINTSBET CANADA – PROJECTED TOTAL ADDRESSABLE MARKET IN NET WIN (C$ BILLIONS)



Ontario is expected to be by far the largest market for online gambling in Canada primarily due to its larger population. It is also further along in its development and while growth is expected to be robust, it will be more moderate than either Alberta or British Columbia. The launch of online gambling for private

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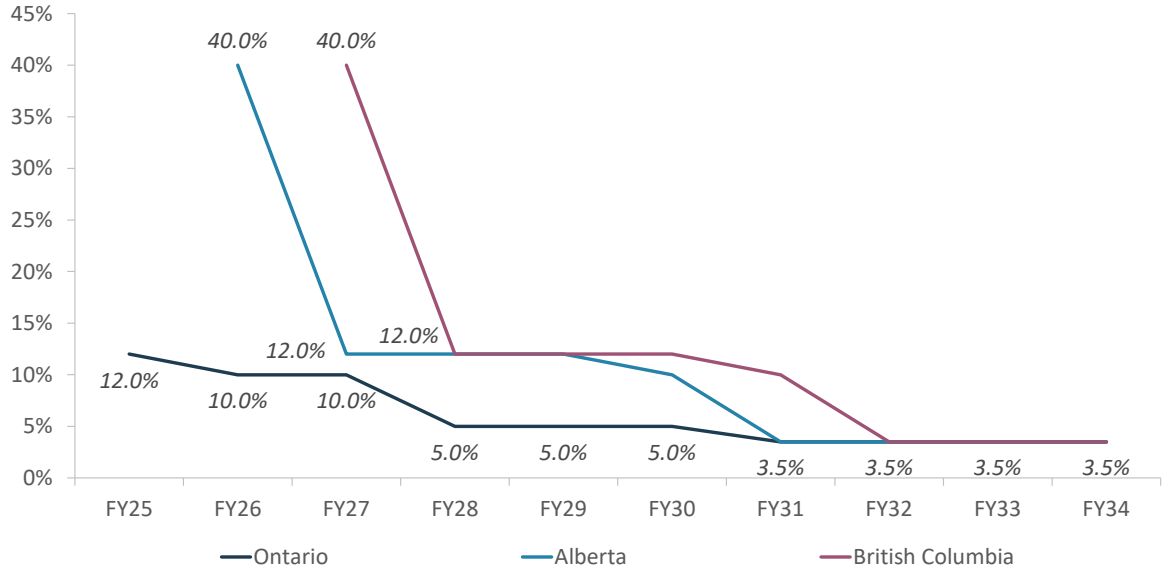
operators in Alberta (in FY26) and British Columbia (in FY27) is expected to materially expand the regulated market in those provinces, which up to now has been principally served by their respective provincial lottery and gaming corporations (whose revenue is included in the above charts).

The projected total addressable market reflects a slight delay from the estimate published by PointsBet but is broadly in line with two of the three estimates published by other online bookmakers including:

- BetMGM, which estimated a market size of around C$6 billion in gross wins (just under C$5 billion in net win[37]) at maturity (although the timing of when this would be achieved was not disclosed);
- Rush Street, which estimated a market size of around C$7.5 billion in gross wins (just under C$6 billion in net win) at maturity (although the timing of when this would be achieved was not disclosed); and
- Flutter, which was the most optimistic and estimated a market size of around C$10 billion in gross wins (or just under C$8 billion in net win) by 2030.

The chart below illustrates the ramp up profile for each of the provinces (i.e. around five years of higher growth prior to moderating at around 3.5% growth per annum):

POINTSBET CANADA – PROJECTED INDUSTRY GROWTH RATE BY MARKET



Scenario A is premised on the assumption that only the Ontario online regulated gambling market in Canada operates and no new provinces or markets go live. Grant Samuel has also considered operating scenarios that assume Alberta going live in FY26 (Scenarios D to F) followed by British Columbia going live in FY27 (Scenarios G to K).

For Scenario A, the DCF model assumes the following:

- the total addressable market (in net win terms) in Ontario grows from around C$2.4 billion in FY24 to C$3.3 billion by FY30 (an average of around 7% per annum) before increasing at a slower rate of around 3.5% for the remainder of the projection period. The longer term growth rate approximates the combination of inflation and adult population growth rates in Ontario.

  By FY30, the total addressable market in Ontario would be around two-thirds the size of that in Australia (largely in line with the relativity in population size). However, the relativity in market size between the two markets is not directly comparable as the total addressable market:

[37] Estimates on the total addressable market published by peers have been prepared on a gross win basis. A generosity efficiency percentage of around 20% was assumed to convert the gross win into net win.

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- includes both sports betting and iGaming. iGaming represents the bulk of the market opportunity in Canada but is banned in Australia. There is no indication that the ban will be overturned anytime soon;
- reflects the much lower gambling expenditure per capita in Canada than in Australia, which is also the world leader in gambling expenditure per capita; and
- benefits from the ease and availability of online in-game betting (which is subject to significant restrictions in Australia and is not as large a contributor to market size).

Consistent with historical trends (to date) in Ontario, online sports betting accounts for 25% of the total addressable market with the remainder attributable to iGaming (with the contributions remaining constant over the projection period);

- market share increases across both segments, with:
  - sports betting increasing from 2.9% in FY24 to 5.0% by FY30; and
  - iGaming increasing from 1.0% in FY24 to 3.0% by FY30.

  As a sports betting-led business, market share in this segment is expected to outpace that of iGaming (which is also in part affected by its "white label" model that depends on third party suppliers for its platform and content). However, given the substantially larger size of the iGaming market, the blended market share is weighted towards iGaming and rises from 1.4% in FY24 to 3.5% by FY30 (in line with PointsBet's long term target for Canada), remaining at those levels thereafter;
- the result of the above assumptions is net win (and net revenue[38]) growing from C$30 million in FY24 to over C$130 million by FY34, which represents average growth of around 15% per annum (albeit above 25% in the first five years before declining to 3.5% from FY31 onwards);
- gross margin improves from 52% to under 54% due to improved economies of scale as the business expands. The majority of costs of goods sold relate to state taxes and technology (e.g. licence agreements with Strive Gaming);
- total operating expenses are approximately C$35 million per annum through FY28 before stepping up to C$45 million per annum over the next two years and remaining at that level over the rest of the projection period. The step up in costs is largely due to the increase in marketing spend as PointsBet Canada reaches its target market share and will likely need more resources to protect its share. Marketing spend steps up from around C$20 million per annum in FY25 to FY28 to over C$30 million per annum to support the increase in market share. By FY34, total marketing spend is just under C$35 million (or around 25% of net revenue). The remaining operating expenses also increase over the projection period but not to the same extent;
- the result of the above is that EBITDA initially remains negative before breaking even by FY27. Due to the continued growth in the market size and share gains, the EBITDA margin increases to 13.5% by FY34;
- other cash flows include:
  - capital expenditure of around C$8-9 million per annum principally in relation to software development costs to maintain the betting platform and in-house tech stack;
  - rental costs (which are not included in the calculation of EBITDA) of around $1 million per annum over the projection period, principally in relation to office lease payments; and
  - working capital based on an average of 45 days payables outstanding, broadly consistent with historical levels;

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[38] Net win and net revenue are the same in Canada as there is no GST-type tax applied.

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- a corporate tax rate of 26.5% (weighted towards the marginal corporate tax rate in Ontario given its relative contribution to earnings); and
- terminal growth of 2.5%.

DCF SCENARIOS

A description of each scenario is outlined in the table below:

POINTSBET CANADA – DCF SCENARIOS

SCENARIO		DESCRIPTION
ONTARIO ONLY	Scenario A	As above
	Scenario B	Scenario A, except PointsBet Canada achieves a long term blended market share of 3.0% (or 4.5% in sports betting and 2.5% in iGaming). Net win increases to around C$115 million by FY34 and, due to the lower long term market share levels achieved, marketing spend in FY34 reaches just under $30 million per annum (reflecting lower market share). The result of these assumptions is EBITDA margin expanding to only 11.5% by FY34.
	Scenario C	Scenario A, except PointsBet Canada achieves a long term blended market share of 2.5% (or 4.0% in sports betting and 2.0% in iGaming). Net win increases to around C$95 million by FY34 and, due to the lower long term market share levels achieved, marketing spend in FY34 reaches just under $25 million per annum (reflecting even lower market share). The result of these assumptions is EBITDA margin expanding to only 8.5% by FY34 (with the first year of breakeven EBITDA delayed to FY28).
ONTARIO AND ALBERTA	Scenario D	Scenario A, except Alberta goes live in FY26. Total addressable market (in net win) increases by C$1.1 billion by FY30 and PointsBet Canada achieves target blended market share of 3.5% in Alberta by the same year. As a result, total net win reaches C$175 million by FY34. Higher annual marketing spend of around C$10 million is required to meet the needs of the new market (or a total of around C$45 million per annum in FY34). Annual software development costs also increases by C$2-3 million. EBITDA still breaks even by FY27, with EBITDA margin expanding even further to 17% by FY34.
	Scenario E	Scenario D, except lower blended market share of 3.0% (as in Scenario C). Net win increase to around C$150 million by FY34 and, due to the lower long term market share levels achieved, marketing spend in FY34 reaches around C$38 million per annum (reflecting lower market share). EBITDA margin expands to only 13.5% by FY34.
	Scenario F	Scenario D, except lower blended market share of 2.5% (as in Scenario C). Net win increase to around C$125 million by FY34 and, due to the lower long term market share levels achieved, marketing spend in FY34 reaches around C$30 million per annum (reflecting even lower market share). EBITDA margin expands to only 18.5% by FY34.
ALL THREE PROVINCES	Scenario G	Scenario D, except British Columbia goes live in FY27. Total addressable market (in net win) increases by C$1.2 billion by FY30 and PointsBet Canada achieves target blended market share of 3.5% in British Columbia by the same year. As a result, total net win reaches nearly C$225 million by FY34. Higher annual marketing spend of around C$10 million to meet the needs of the new market (or a total of just over C$55 million per annum in FY34). Annual software development costs also increases by C$2-3 million. EBITDA still breaks even by FY27, with EBITDA margin expanding even further to 20% by FY34.
	Scenario H	Scenario G, except lower blended market share of 3.0% (as in Scenario C). Net win increase to around C$195 million by FY34 and, due to the lower long term market share levels achieved, marketing spend in FY34 reaches around C$48 million per annum (reflecting lower market share). EBITDA margin expands to 18.5% by FY34.
	Scenario I	Scenario G, except lower blended market share of 2.0% (as in Scenario C). Net win increase to around C$195 million by FY34 and, due to the lower long term market share levels achieved, marketing spend in FY34 reaches around C$40 million per annum (reflecting even lower market share). EBITDA margin expands to 17%.
	Scenario J	Scenario G, except total addressable market (in net win) grows to only C$5 billion by FY30.
	Scenario K	Scenario G, except total addressable market (in net win) grows to C$8 billion by FY30.

NPV OUTCOMES

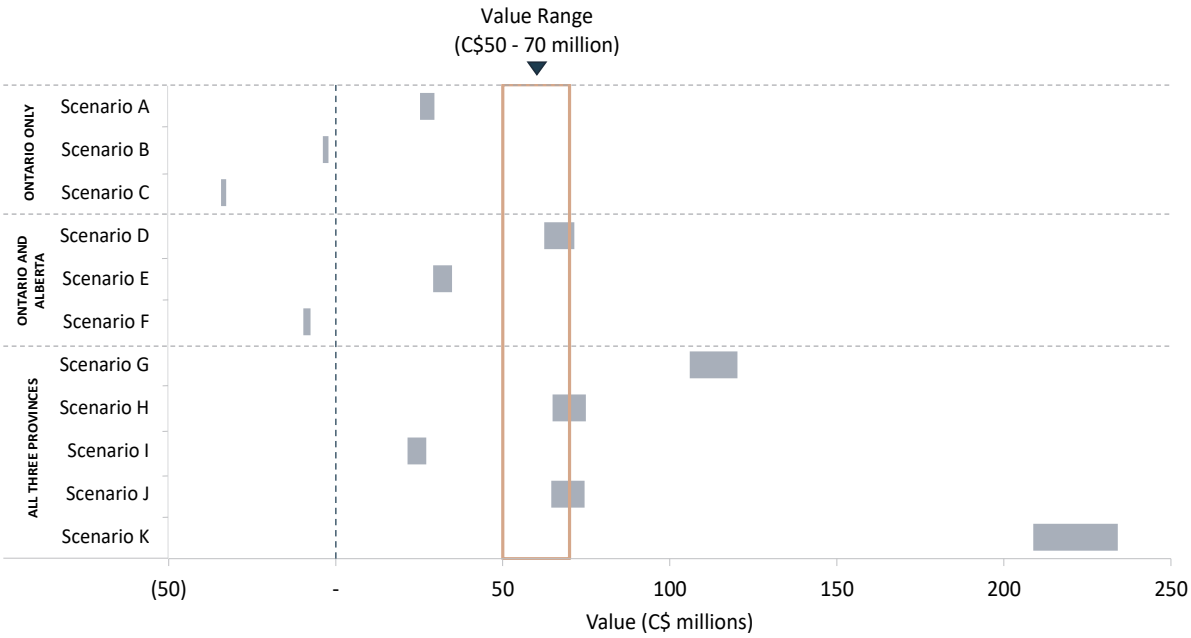
Grant Samuel's selected value range of C$50-70 million for PointsBet Canada reflects a subjective balancing of the scenarios and a view that the appropriate discount rate to apply is 13-14%.

This is depicted diagrammatically below:

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POINTSBET CANADA – NPV OUTCOMES

(AT 13.0-14.0% DISCOUNT RATE)



The DCF analysis illustrates the extremely wide range of possible values for PointsBet Canada.

Scenario A represents a relatively conservative outcome where no province other than Ontario legalises online gambling. A much smaller market would mean that the path to scale and profitability is much narrower. The NPV outcome for Scenario A is just under C$30 million and assumes PointsBet can successfully build share across both sports betting and iGaming. On the other hand, it is also plausible that the value if no other provinces legalise online gambling could be zero. PointsBet Canada is still loss making and its recent half year results has highlighted the growing pains of establishing its market position in what is becoming an intensely contested market that mirrors many of the challenges that were seen in the U.S. market. Scenarios B and C illustrate the negative NPV outcomes in the event PointsBet falls short of its target market share.

A scenario where Ontario remains the only operational province would be a major disappointment for the industry (and the provincial Governments seeking to regulate and tax online gambling), which is banking on unlocking further addressable markets over the next several years. Accordingly, it is not unreasonable that the value range sits above the NPV outcomes for the Ontario-only scenarios.

The remaining scenarios attempt to capture the potential upside in value if the online gambling markets in Alberta and British Columbia also go live. As illustrated in:

- Scenario D, a successful launch and penetration of the Alberta market could result in a C$55 million uplift in NPV (around 200% higher than Scenario A); and
- Scenario G, a successful launch and penetration of the British Columbia market could result in a further C$65 million uplift in NPV (around 80% higher than Scenario D).

These large increases in NPV relative to Scenario A reflect the fact that the incremental costs in entering new markets are largely limited to a step up in marketing costs dedicated to that province and an uplift in technology investments (as well as a small amount of variable costs).

However, successfully executing its strategy and achieving these share gains (of up to 5% in online sports betting and 3% in iGaming) will be challenging:

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- PointsBet Canada is a minnow in an industry where some of the largest and well capitalised online bookmakers participate. To date, it has only secured a 3% share of online sports betting and a 1.5% blended market share across online sports betting and iGaming in Ontario;
- the market remains extremely competitive. PointsBet sits outside the top ten largest private operators by revenue. If the experience in the U.S. is repeated in Canada, share gains would require major investment in marketing and there are no obvious peers to take share from or levers to pull to easily gain share;
- FanDuel and DraftKings have yet to fully replicate their U.S. success in the Ontario market. Given their dominant position in the U.S. market, it would be expected that Ontario becomes a priority at some point (if not already) given its population size (equal to the fifth largest U.S. state) and proximity and cross-over interest in sports which all generate efficiencies in marketing, technology and product development as well as overheads. Other competitors with U.S. operations may seek to do the same. A strategy to push share to U.S. levels would inevitably put more pressure on other industry participants such as PointsBet who do not share such advantages;
- iGaming accounts for the majority of the market in Canada but PointsBet has limited capabilities in the segment. The current model is dependent on third party content and aggregation (e.g. Strive Gaming) which may constrain some of the iGaming platform's flexibility; and
- there is a genuine uncertainty as to the full scale of investment required to operate in Canada. The amount of marketing spend required is one aspect. The other factor relates to ongoing investments in technology to ensure the betting and iGaming platform remains competitive. The DCF analysis allows for some of this uptick in these investments but the reality is that the true extent of these costs will continue to evolve over time and may be much higher (or lower) than currently anticipated.

PointsBet's own experience in the New Jersey market in the U.S. provides a salutary lesson. Upon launching in the state in 2019, PointsBet quickly built its market position and became one of the largest sports bookmakers in the state (up to 9% of total turnover in mid 2020) but saw these initial gains erased as competition intensified. Over the next three years, PointsBet suffered a sharp fall in its market share in the state, which bottomed at around 2.5% by the time the U.S. business was sold in 2023. The challenges in growing and maintaining share were not limited to New Jersey. Blended online sports betting market share across the country was not much higher at around 3.1%.

A potential acquirer would sensibly evaluate scenarios under which PointsBet Canada fails to reach its target market shares in each province. Each 0.5% reduction in market share translates to material downwards shifts in NPV. Scenarios E and F illustrate the downside impact if only Alberta goes live but PointsBet Canada only reaches overall market shares of 3.0% and 2.5%. Scenarios H and I illustrate the NPV outcomes where all three markets go live but with the same market share (3.0% and 2.5%). Despite these uncertainties, there is reason to believe that some value can be attributed to PointsBet Canada:

- the Ontario online gambling market still has further to expand. In the latest monthly performance results published by the iGO, the market grew by 30% over the prior comparable period;
- neither Alberta nor British Columbia have gone live but, given the established grey markets in both provinces, the market is in general consensus that it is a matter of "when" rather than "if"; and
- there is no clear consensus on the potential size of the total addressable market once the industry reaches maturity. Some put it as low as C$5 billion (as illustrated in Scenario J) with others nearly double that (as set out in Scenario K, which produces NPV outcomes of over C$300 million). Regardless of which estimate is more accurate, most analysts are in agreement that the potential market size at maturity is more than twice the levels seen today.

However, the reality is that an acquirer of the business today would not attribute full value to PointsBet Canada's future potential. An acquirer would apply a material risk factor to scenarios such as those illustrated in Scenarios G, H, J and K. Moreover, each of these NPV outcomes include the positive contribution of tax losses that are

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expected to be utilised over the period (at least once PointsBet Canada becomes profitable). An acquirer may not attribute any value to these tax losses today (or at least heavily discount it).

Grant Samuel has considered the NPV outcomes for all the scenarios in determining its value range. Although no specific weighting was given to each scenario, the value range for PointsBet Canada falls towards the lower end of the scenarios' NPV outcomes reflecting the risks associated with achieving the business's full potential.

Corporate Costs (Net of Synergies)

PointsBet incurs unallocated corporate overhead costs of approximately $10 million per annum (around $10-12 million historically but less than $10 million per annum going forward). These costs represent costs associated with running PointsBet's head office and other overheads and include:

- the PointsBet executive office (such as costs associated with the offices of the Chief Executive Officer and Chief Financial Officer, company secretarial and legal, corporate affairs, treasury, tax);
- listed company expenses (such as directors fees and insurance costs, annual reports and shareholder communications, share registry and listing fees and dividend processing); and
- certain group shared services (such as human resources, information technology, etc.) not fully recharged to the business operations during the year.

A portion of these costs would no longer be incurred if PointsBet is acquired by a third party. These costs are primarily listed company costs.

Multiple acquirers of 100% of PointsBet may also realise further operating synergies beyond listed company costs or unallocated corporate costs. However, determining the quantum of these synergies is difficult due to limited information.

The betr Proposal provides a useful reference point for assessing the potential scale of these synergies. The proposal claimed savings opportunities in excess of $40 million per annum from a combination of both businesses through:

- the consolidation of technology platforms;
- streamlined marketing investment by simplifying its brand offerings (i.e. focusing on a single brand);
- elimination of duplicate roles; and
- rationalisation of supply contrasts and other overheads.

However, as betr has not undertaken recent due diligence (involving non-public information provided by PointsBet), the final quantum of cost synergies has not been confirmed (albeit betr has separately stated that it has mandated a third party adviser to undertake an outside-in analysis to support its synergy estimates). Moreover, the extent of any revenue dis-synergies (e.g. client cannibalisation due to customer crossover between both brands) would need to be ascertained. It also has not disclosed one-off costs that would be incurred to achieve the announced synergies.

Potential cost synergies from an acquisition by any of the three largest industry participants in Australia are also likely to be substantial. However, there has been limited engagement (and disclosure) from these parties. Forming any views as to the extent of potential synergies is difficult and highly dependent on the individual strategy (e.g. multi-brand or single brand). It is conceivable that revenue dis-synergies (from client crossover) could offset other benefits to a significant degree. If the net synergies were substantial, it would not be unreasonable to have expected a high level of interest from these parties subsequent to announcement of the Scheme on 26 February 2025. To date, there has been none.

In any event, these large established industry peers could face regulatory hurdles due to their existing market positions (the three largest participants have a combined share of over 80% of the market) although

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the true extent that these risks are actual barriers to a transaction has yet to be tested. Such risks could mean that none of them would be allowed to acquire PointsBet Australia in its current form (or at least without other concessions or costs which may make the deal less palatable).

In these circumstances, the potential buyer pool would be limited to smaller domestic peers (e.g. betr, Bet365) or offshore strategic participants that do not have an existing presence of scale in Australia (e.g. MIXI). Bet365 may be able to realise some of these synergies as it operates a single-brand global online sports betting business as well as its own in-house technology stack, but it may face some level of revenue cannibalisation due to customer crossover with PointsBet. Offshore peers would undoubtedly be able to extract some operating synergies but it is difficult to know be precise as they are likely to be different in nature for each acquirer. For example, MIXI appears to have a very different focus and appears to expect synergies in the form of revenue synergies (particularly as it seeks to leverage its expertise and strength in social betting). If this was the case, it is arguable that the majority (but not all) of synergies identified by betr could only be achieved by betr.

Moreover, an acquirer would be highly unlikely to pay all of its potential synergies away in the acquisition price particularly given the risks that apply to synergy forecasts (i.e. they would be risk weighted). In addition, where an acquirer makes a scrip based offer (such as the betr Proposal) the quantum of synergies are effectively shared between the bidder's and the target's shareholders (e.g. in the case of the betr Proposal, PointsBet shareholders would only receive circa 20-25% share of the synergies).

While there may be synergies for an acquirer in relation to the Canadian business, no useful information is available as to what the quantity might be and, in any event, there are constraints on a separate sale of PointsBet Canada. In particular, PointsBet currently holds a perpetual and royalty free licence to exploit the Banach technology assets (including *OddsFactory*) in any market outside the U.S. PointsBet has advised that the licence (which gives access to this technology) cannot be split or separated in the event one of the businesses (in this case, PointsBet Canada) is sold. It would need to either stay with the remaining company or go with the divested business. Such an action would likely create material dis-synergies as lack of access to the technology would greatly diminish the value of the business left without it.

Taking all of the above factors into account, Grant Samuel has assumed that the listed company cost savings together with some operating synergies (particularly in the Australian business) amounting to around $10 million per annum are common to multiple acquirers of PointsBet. For simplicity, it has been assumed that this quantum offsets PointsBet's entire unallocated corporate overhead costs of approximately $10 million per annum.

6.4.3 Market Evidence on Earnings Multiples

Overview

The capitalisation of earnings methodology involves the review of earnings and other multiples that buyers have been willing to pay for similar businesses in the recent past and a review of the multiples at which shares in comparable listed companies trade on sharemarkets. This analysis will not always lead to an obvious conclusion as to an appropriate range of multiples as there will often be a wide spread of multiples. It is necessary to consider the particular attributes of the business operation being valued (relative to the peers) as well as the prevailing economic and regulatory conditions, particularly for a business such as PointsBet.

PointsBet operates primarily in the online wagering industry in Australia (with sports betting representing the largest proportion of its earnings). It also offers online sports betting and iGaming in Canada (less than 15% of revenue). Accordingly, Grant Samuel's review of the market evidence has considered transactions and listed companies involved in similar activities in Australia as well as globally where appropriate.

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Transaction Evidence

BACKGROUND

Following the waves of industry consolidation in 2009-2013 and 2018-2019, there have been very few transactions involving online corporate bookmakers in Australia. A number have involved acquisitions with loss making or smaller scale businesses (e.g. Entain's acquisition of Neds in 2019 and betr's acquisition of TopSport in 2025). Others have involved the acquisition of a minority interest (e.g. the Stars Group's acquisition of a 20% interest in BetEasy in 2019). A number of other transactions do not have sufficient public information to allow earnings multiples to be calculated.

Evidence from Canada is even more sparse given the infancy of the industry as well as the fact that many industry participants expanded organically into the Canadian market (often from the U.S. or via conversion of their existing grey market operations into a licenced one).

As a result, Grant Samuel has considered:

- recent transactions involving global online wagering focused businesses, although consideration must be given to the fact that they operate in different regulatory environments and that some of these transactions were mergers of equals (and therefore did not, in theory, include a premium for control);
- earlier transactions involving Australian online bookmakers (as far back as 2009). While Grant Samuel would typically consider recent transaction evidence over, say, the past five years, some of the evidence from these transactions provides meaningful benchmarks for the valuation of PointsBet's business operations; and
- recent transactions involving online bookmakers that have decided to exit either the U.S. or Canadian markets (although the loss making status of these businesses means that the only available valuation benchmarks are revenue multiples or value per active client).

In considering the transaction evidence, it should be noted that all the transactions that occurred prior to 2019 were before the introduction of AASB16 and are therefore on a pre AASB16 basis (although this change in accounting treatment is unlikely to have a material impact on the EBITDA multiples for the online wagering industry). EBIT multiples and EBITA multiples have not been able to be calculated for many of the transactions (particularly those in Australia) as the target companies were either privately held, unlisted businesses or individual divisions of large, listed entities and the transaction multiples are generally limited to statements made in public announcements.

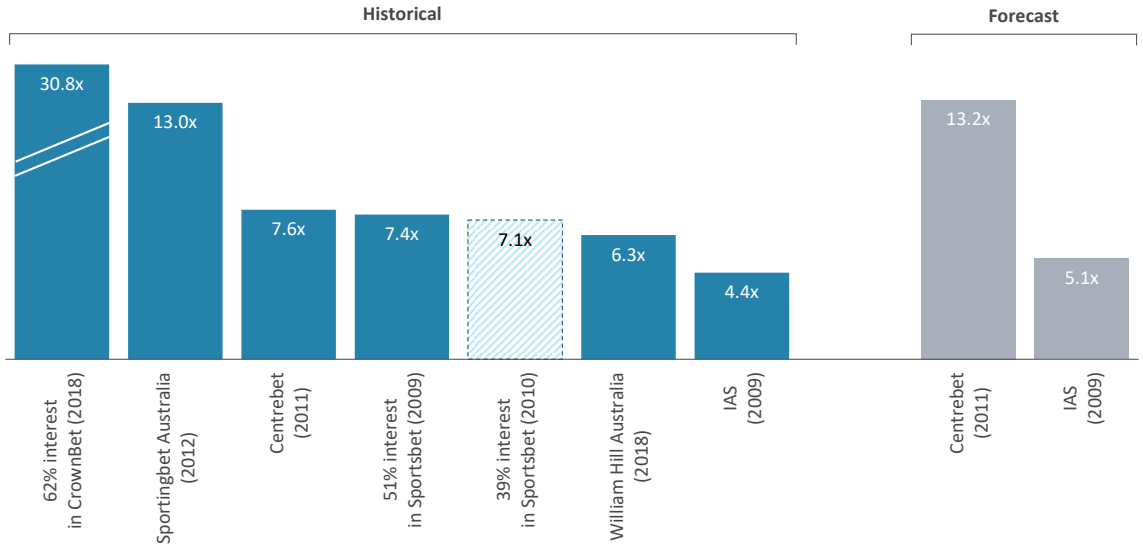
AUSTRALIAN ONLINE BOOKMAKERS

The following charts summarise the historical and forecast EBITDA multiples for recent transactions in Australia:

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RELEVANT COMPARABLE TRANSACTIONS - AUSTRALIA

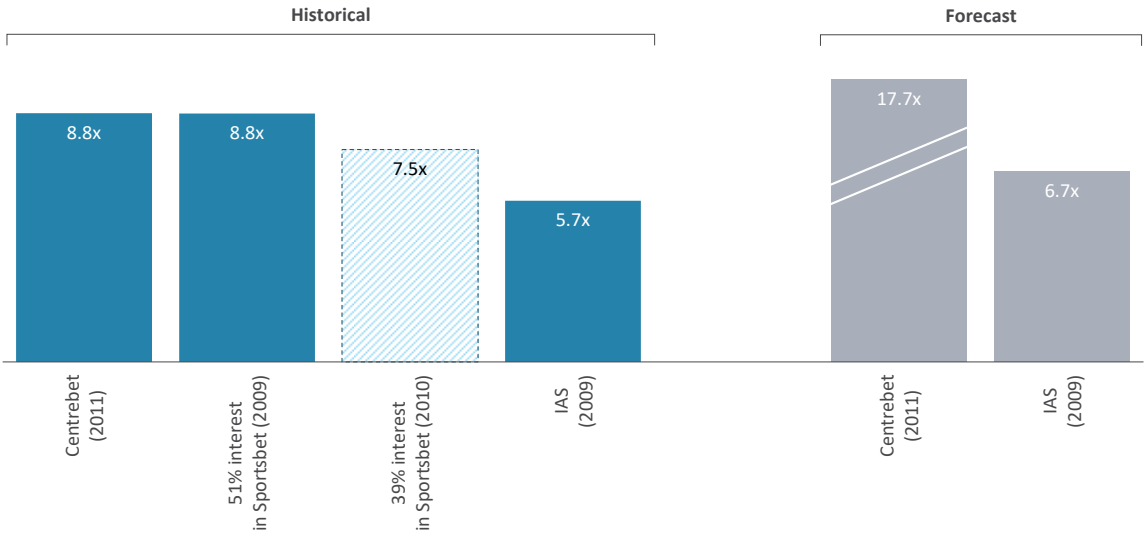
HISTORICAL AND FORECAST EBITDA MULTIPLES



Source: Grant Samuel analysis[39]

RELEVANT COMPARABLE TRANSACTIONS - AUSTRALIA

HISTORICAL AND FORECAST EBITA MULTIPLES



Source: Grant Samuel analysis[39]

The most recent transactions depicted above are the Stars Group's acquisitions of a 62% interest in CrownBet and 100% of William Hill plc's ("William Hill") Australian business (i.e. "William Hill Australia"). Both transactions were completed amidst a period of significant uncertainty in the Australian online gambling market as a number of regulatory headwinds weighed on the profitability of online bookmakers,

[39] Grant Samuel analysis based on data obtained from IRESS, company announcements, transaction documentation and, in the absence of company published financial forecasts, brokers' reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each transaction depends on analyst coverage, availability and corporate activity.

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including the introduction of a credit card ban and the roll out of point-of-consumption tax across individual States.

The wide disparity in the EBITDA multiples between the two transactions likely reflected:

- the robust growth trajectory of CrownBet Holdings Pty Limited ("CrownBet") (which was acquired at over 30 times historical EBITDA). Since launching in 2014, CrownBet had emerged as one of Australia's fastest growing online sportsbooks with revenue nearly tripling from $76 million in 2015 to over $200 million in 2017. However, as it only reached EBITDA breakeven in 2017 and was still in its rapid growth stage, the very high EBITDA multiples are not a very useful benchmark for value; and
- the challenging outlook for William Hill Australia (which was acquired at much more modest multiples of just over 6 times EBITDA). At the time, it was one of the largest online bookmakers in Australia with 280,000 active clients. The sale marked the exit by William Hill from the Australian market in response to the tighter gambling regulations (especially as it had a much larger exposure to taking on bets through credit cards than other peers).

The remaining transactions all occurred prior to 2013. The transactions involving Sportsbet and Centrebet are perhaps the only "clean" benchmarks of value in Australia's online wagering market. Both transactions occurred within a relatively narrow range of historical multiples (around 7-7.5 times EBITDA and 7.5-9.0 times EBITA) and reflected the attractive attributes of each business. In the case of:

- Sportsbet, it was the largest corporate bookmaker in Australia at the time and handled just under $1 billion in turnover per annum. The transaction was Paddy Power plc's ("Paddy Power", now Flutter) first foray into the Australian market following the deregulation of the Australian corporate bookmaker market in the previous year. The transaction price reflected the growth potential of the business as well as the opportunity to leverage Paddy Power's trading, risk management and marketing expertise honed in other markets to build on Sportsbet's market position in Australia.

  Following the initial success of the investment, Paddy Power acquired the remaining shares to secure full participation in the upside of the business. The acquisition of the outstanding 39.2% interest that Paddy Power did not already own in 2010 occurred at a similar EBITDA multiple to the initial acquisition[40]. Although the acquisition of the minority stake does not, in theory, meet the threshold for control, an argument could be made that some "premium for control" was paid as the minority interest was held by just six vendors of which three were Directors on the Sportsbet Board and the remaining three were members of its management team; and
- Centrebet, it was one of the largest corporate bookmakers at the time (turnover of around $625 million per annum) and had a market leading 25% share of the domestic sports betting market (and around 10% of total wagering, including racing). The *Centrebet* brand was a particularly powerful asset at the time as it carried the legacy as the first licenced sports bookmaker in Australia and, by some measures, held the number two brand awareness position in the Australian corporate bookmaker market (behind only *Sportsbet*).

At the same time, both Sportsbet nor Centrebet were much more profitable enterprises than similar sized Australian sports bookmakers today. Perhaps due to the state of the industry at that time, marketing spend was substantially lower at around 10-15% of revenue (compared to in excess of 20% in the current market environment). A useful illustration for the impact of marketing spend is the wide gap between the historical and forecast multiples for Centrebet[41]. The higher forecast multiples reflected the newly announced strategy to significantly increase investments in marketing and customer acquisition to take its

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[40] Sportsbet's EBITDA in 2010 has been adjusted to reflect a full year of earnings contributions from International All Sports Limited ("IAS"), which was acquired by Sportsbet earlier in the fiscal year. The acquisition of IAS was completed on 1 October 2009.

[41] Excludes the litigation component of the scheme consideration. Centrebet securityholders were entitled to receive a cash component ($2.00 per security) and a litigation component (up to 90% of the potential net proceeds of Centrebet's proposed GST litigation claim against the Australian Tax Office if that claim is successful).

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market share up from 10% to 20% within five years. As it was only the first year of the campaign's launch, the net contribution to earnings from new customers was still negative. The independent expert at the time estimated that the net benefit would have been approximately $3 million which would have resulted in an adjusted forecast EBITDA multiple closer to 10.5 times (rather than over 13 times).

The implied multiples for the other two transactions are affected by unique issues affecting each of the target companies and can therefore be considered outliers. In particular:

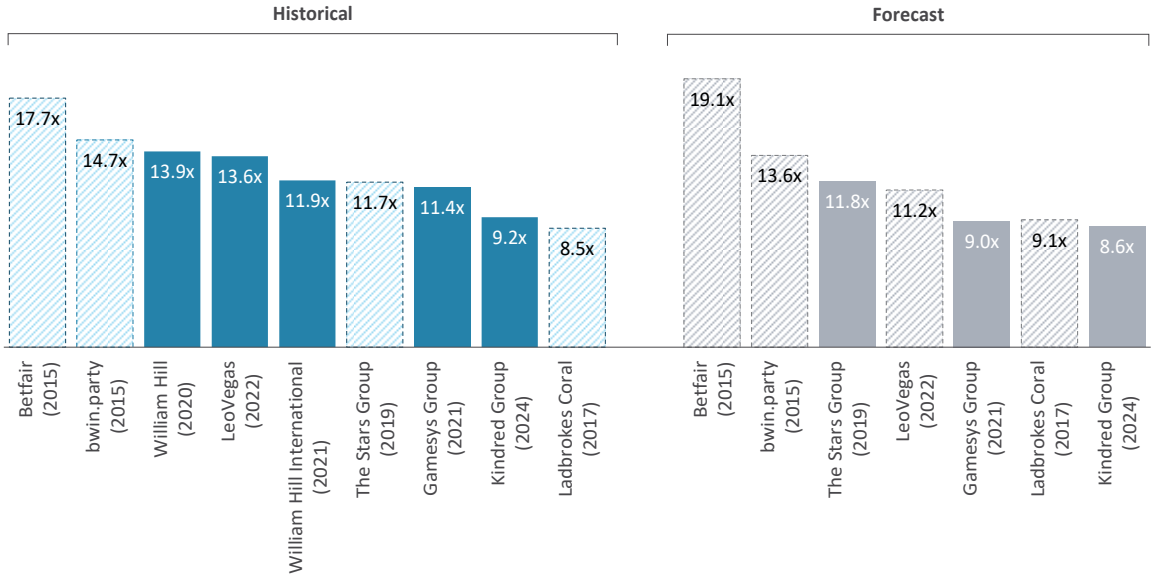
- the relatively high multiples implied by William Hill's acquisition of Sportingbet plc's ("Sportingbet") Australian business (i.e. *Sportingbet* and *Centrebet* brands) and a call option over its Spanish business are likely inflated by the temporary suspension of its Spanish operations due to a court injunction. Prior to the court injunction, the Spanish business operation was estimated to represent over 20% of the local market (more than tripling William Hill's market share in Spain) and provided further earnings upside following its receipt of an iGaming licence earlier in the year; whereas
- the very low multiples implied by Sportsbet's acquisition of IAS in 2009 can also be considered an outlier. The acquisition was part of a multi-pronged expansion strategy by Paddy Power (which concurrently announced its acquisition of the 51% interest in Sportsbet) as it sought to establish its foothold in the Australian market. However, the low multiples reflected IAS's lack of scale and uncertain future as a standalone business following the removal of advertising restrictions (which arguably favoured larger and more well-capitalised competitors).

GLOBAL ONLINE BOOKMAKERS

The following charts summarise the historical and forecast EBITDA and EBITA multiples for recent larger transactions globally:

RELEVANT COMPARABLE TRANSACTIONS – GLOBAL

HISTORICAL AND FORECAST EBITDA MULTIPLES

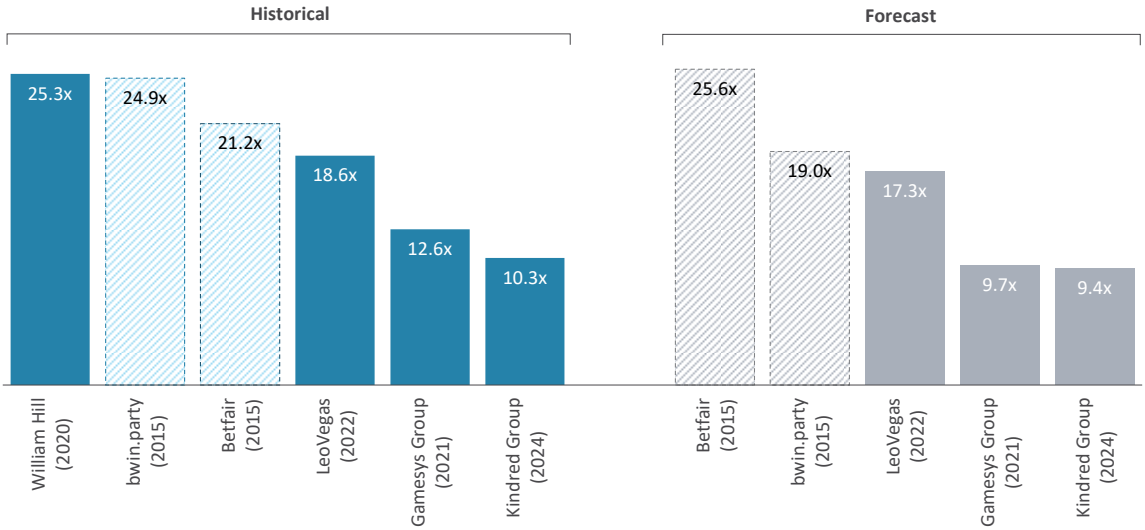


Source: Grant Samuel analysis[39]

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RELEVANT COMPARABLE TRANSACTIONS – GLOBAL

HISTORICAL AND FORECAST EBITA MULTIPLES



Source: Grant Samuel analysis[39]

The transactions involving global majors generally occurred at much higher multiples than those involving Australia-focused online corporate bookmakers. The premium likely reflects their:

- scale, as each of the transactions had implied enterprise values in excess of $3 billion (and up to $16 billion, in the case of the Stars Group, which merged with Flutter);
- geographic diversification, which mitigates some of the regulatory risks these global operators may be exposed to had they been solely exposed to a single jurisdiction; and
- exposure to higher growth markets, such as the U.S. (where online sports betting had been only recently legalised and continues to be rolled out across the States).

However, it is difficult to extract many meaningful insights from these transactions. Half of the transactions involved scrip mergers and may not have reflected a full premium for control (one of which was in fact a reverse merger). Although some observations can still be made on the remaining transaction evidence, the analysis is limited by the available benchmarks (and the fact that they each operate in different markets) and only general observations on relativity between multiples can be made.

With the exception of Kindred, most control transactions occurred at around 12-14 times historical EBITDA (albeit at a very wide range of EBITA multiples). The transactions involving William Hill are helpful in demonstrating the impact that growth potential and regulatory uncertainty can have on the multiples:

- the higher multiple (14 times historical EBITDA) paid by Caesars for the entirety of William Hill's business reflected the potential upside from William Hill's U.S. operations. At the time, the U.S. was still in early stages of legalising online sports betting and iGaming and the total addressable market was rapidly increasing. The acquisition gave Caesars market access to six additional states as well as credibility in the highly competitive iGaming and online sports betting market in U.S. as it acquired William Hill's sports betting expertise, proprietary technology and infrastructure; whereas
- the lower multiple (12 times historical EBITDA) for the subsequent sale of William Hill's non-U.S. businesses by Caesars reflected the weaker revenue growth outlook for the remaining operations as well as the regulatory issues weighing on its prospects. At the time, it was subject to an ongoing review by the gambling regulator of the United Kingdom (which accounted for over 60% of its revenue) and it was unclear what form of penalty was to eventuate for its non-compliance with

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responsible gambling laws. The transaction consideration was reduced by up to £250 million (around 11% of initial agreed terms) in light of these uncertainties.

The acquisitions of Gamesys Group plc ("Gamesys") by Bally's Corporation and LeoVegas AB ("LeoVegas") by MGM Resorts International ("MGM") are further evidence of the impact that growth potential and the risks attached to it can have on multiples. In the case of LeoVegas, the higher multiples reflected its strong market position for growth opportunities in iGaming outside the U.S. (in which MGM sought to take part in). In contrast, the lower multiples for Gamesys (which was also an iGaming focused operator) may have reflected the risk of bringing its successful portfolio of iGaming brands (principally sold into the United Kingdom, Asia and Europe) into the U.S. market (where it remained untested).

On the other hand, the relatively low EBITDA and EBITA multiples implied by the acquisition of Kindred Group plc ("Kindred") by La Française des Jeux SA ("FDJ") were likely weighed by:

- its exposure to non-regulated markets (nearly 20% of revenue). FDJ publicly announced its intention, following completion of the transaction, to exit the Norwegian market (around 6% of Kindred's gross profit) and other non-regulated markets that have no ongoing path to being regulated; and
- broader regulatory challenges across its key markets (e.g. United Kingdom and Sweden) that have led to higher operational costs and increasing compliance requirements (as well as penalties in relation to gambling harm and anti-money laundering).

The multiples implied by mergers between global majors vary quite substantially and likely also reflect the industry environment at the time and other specific issues affecting the companies (or transaction). In particular, the implied multiples for:

- the reverse merger between bwin.party digital entertainment plc ("bwin") and GVC Holdings plc (now Entain) (at 14.7 times historical EBITDA) were relatively high and may have reflected the outcome of a competitive sale process that drew public bids from multiple parties over five months (and the multiples were perhaps also affected by the protracted period of underperformance for bwin, which saw EBITDA fall in each of the previous four years);
- the merger between Betfair Group and Paddy Power plc (now Flutter) (at 17.7 times historical EBITDA) were high and may have reflected Betfair's differentiated product offering as a global betting exchange (through which Betfair is essentially "off risk" from client betting wins) which had underpinned its strong track record of growth;
- the merger between the Stars Group and Flutter (at just under 12 times EBITDA) may have been affected by the concessions it had to make with third party stakeholders (e.g. the 10-year option granted to FOX Corporation, a key media partner in the U.S., to acquire an 18.5% interest in FanDuel) to secure the consents necessary to complete the transaction; and
- the merger between Ladbrokes Coral Group plc ("Ladbrokes Coral") and GVC Holdings plc (now Entain) (at around 8-9 times EBITDA) may have been affected by the extended trading period (i.e. 13 months) and further weighed down by the capital intensity of Ladbrokes Coral's bricks-and-mortar footprint which accounted for around 80% of revenue. None of the other transactions involved bookmakers with such a large exposure to in-venue betting.

The expected cost synergies from these mergers were expected to be substantial (generally around 20% of EBITDA but in one case up to 100% of EBITDA). The wide range in the relativity of expected synergies is influenced by a number of factors, including the level of overlap between the businesses including the ability to eliminate duplicate marketing, technology and other costs. Most of these savings are expected to be derived from consolidation of technology platforms and improved efficiency of marketing initiatives and procurement. Further upside was often expected from revenue cross-sell (particularly in international markets) through a broader customer proposition and sharing of best practice.

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OTHER OBSERVATIONS

There are very limited transactions involving online bookmakers in the U.S. or Canada. A number of operators have exited the U.S. market, citing the "*significant direct costs of operating in the market including duties, market access fees, and licence fees, in addition to intense competition from well-capitalised incumbent participants.*"[42]

However, finding a buyer for struggling businesses in these markets has proved difficult if not impossible. Given the relatively early stage of the U.S. market, valuations are extremely volatile and some potential bidders may be discouraged by the large amounts of upfront capital investments required (particularly for marketing). In January 2022, Wynn Resorts Limited ("Wynn") was reported to have reduced its asking price for its WynnBet business by over 80% to just US$500 million (i.e. around 8.4 times historical revenue) but still failed to attract any buyers. Most bookmakers exited the market via a restructure (e.g. Kindred, Betsson and Super Group) or, in the case of Wynn, sold individual market access rights or licences before shutting down its online sports betting and iGaming operations entirely.

PointsBet's sale of its U.S. business is perhaps the only available arms' length benchmark for a transaction in the U.S. or Canadian market. The U.S. business was the largest of PointsBet's operations at the time. It had over 275,000 active clients and nearly 4% share of the still nascent but growing online sports betting market. However, it was still generating significant losses as it lacked the scale and balance sheet to compete effectively in the market as demonstrated by its sharp loss of share in New Jersey where it was once one of the largest sports bookmakers in the state with 9% of total handle in mid 2020 but saw its share collapse to just under 3% by the time of the sale. The competitive sale process attracted two bidders that culminated in a sale price of US$225 million (equivalent to $340 million) or around 2 times historical revenue and a value equal to just over US$800 per active client (equivalent to $1,200 per active client). The sale price reflected the attractive qualities of the U.S. business, including its established footprint as well as rights to the proprietary Banach technology that sat behind the *OddsFactory* assets. However, it also reflected the challenges faced by the business and significant amounts of capital still needed to firmly establish its market position (particularly with the outstanding commitments under the NBCUniversal partnership in excess of US$250 million over the next five years).

Some of the other transactions do not have sufficient public information for which any meaningful multiples can be calculated such as the:

- US$2 billion acquisition of Score Media and Gaming (owner of *TheScore*, a leading Ontario-based media and sports betting technology company) by Penn. Although there were reportedly around 4-5 million active users on *TheScore* most of these were readers rather than bettors; and
- US$50 million payment by 888 (now Evoke) to terminate its joint venture with The Authentic Brands Group (owner of the *Sports Illustrated* brand).

Sharemarket Evidence

The largest participants in the Australian online wagering industry are subsidiaries of global sports betting and online wagering majors. *Sportsbet* is the clear market leader but is a wholly owned subsidiary of Flutter (and accounts for less than 10% of group revenue). Entain operates through two brands (*Ladbrokes* and *Neds*) and is the third largest bookmaker in Australia but these two brands only account for around 10% of its group revenue.

Consequently, Grant Samuel has reviewed the trading multiples of their listed parent companies in addition to the only listed domestic participants, Tabcorp and betr. Grant Samuel has also reviewed the trading multiples of multinational companies that are focused on online wagering (although some have large iGaming offerings as well and operate in different markets to PointsBet).

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[42] Source: Evoke plc, Strategic Review of US B2C Operations, 6 March 2024.

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While there are a number of ASX listed companies that operate in the broader gambling industry, each of these companies primarily operate in different:

- segments of the value chain, such as wagering technology (e.g. BetMakers Technology Group) or EGM design and manufacturing (e.g. Light & Wonder Inc. and Aristocrat Leisure Limited); and
- product verticals, such as lotteries (e.g. The Lottery Corporation) or land-based casinos (e.g. The Star Entertainment Group and Skycity Entertainment Group Limited).

Due to the distinct nature of their businesses, the financial performance of these companies reflect different sets of operating risks and growth opportunities from those companies that have a more focussed exposure on online wagering. Accordingly, Grant Samuel has excluded these companies from the analysis.

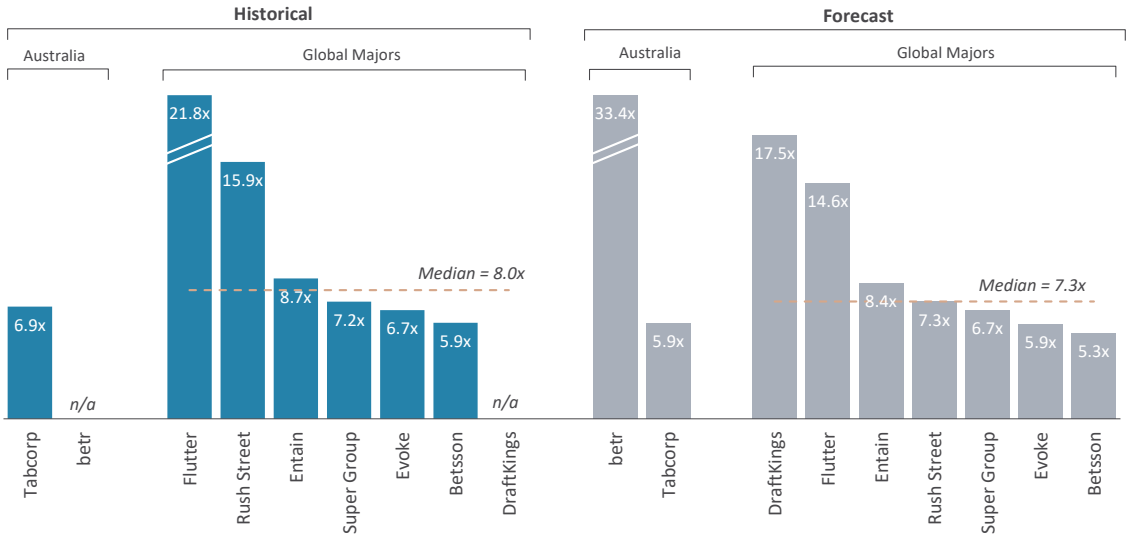
NorthStar is the only Canada-focussed online wagering or iGaming listed company identified in Grant Samuel's research. However, it remains loss making and accordingly EBITDA and EBITA multiples cannot be calculated. It has not published its most recent historical accounts (latest full year statement is for the year ending 31 December 2023) but is trading at around 1.1 times last twelve months' of revenue, which likely reflects its lack of scale and risks to growth (particularly given its sole exposure to the Canadian online gambling industry) as well as other factors such as its financial leverage and limited free float (around 34% of register).

In considering the sharemarket evidence, it should be noted that the multiples for the listed entities are based on share prices and therefore do not include a premium for control. With the exception of Tabcorp and betr (which have a 30 June year end), all comparable listed companies have a 31 December year end.

The following charts summarise the historical and forecast EBITDA and EBITA multiples for comparable listed companies in the online wagering industry based on share prices at 31 March 2025:

COMPARABLE LISTED COMPANIES

2024 HISTORICAL AND 2025 FORECAST EBITDA MULTIPLES



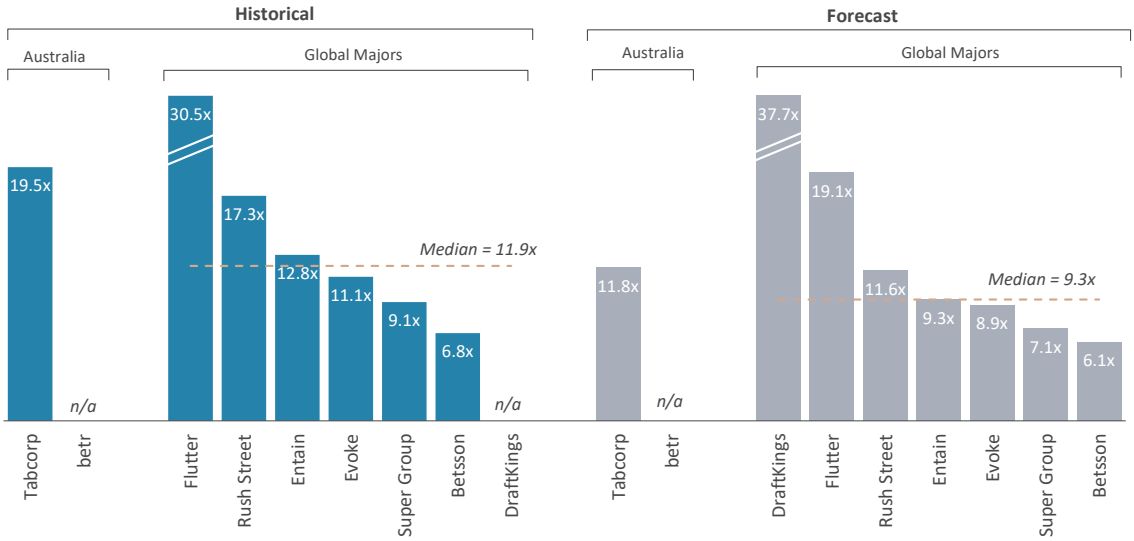
Source: Grant Samuel analysis[43]

[43] Grant Samuel analysis based on data obtained from IRESS, S&P Global Market Intelligence, company announcements and, in the absence of company published financial forecasts, broker reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each company depends on analyst coverage, availability and recent corporate activity.

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COMPARABLE LISTED COMPANIES

2024 HISTORICAL AND 2025 FORECAST EBITA MULTIPLES



Source: Grant Samuel analysis[43]

The trading multiples of comparable listed online wagering bookmakers fall in a very wide range. The top end of the range of multiples include companies that have robust growth outlooks and market leading positions in major growth markets, particularly in the U.S. For instance:

- Flutter is the clear market leader in some of the largest online sports betting markets in the world (over 30% share in the U.S., United Kingdom, Ireland, Italy and Australia) and has consistently maintained that position over many of years. It is by far the largest online gambling company with over US$14 billion in revenue in 2024 (of which around 55% is from sports betting and 40% from iGaming) and a market capitalisation of around US$63 billion. Most of its growth in the last several years has been driven by the success of *FanDuel* in the U.S. market, which has grown over tenfold in revenue since its original investment in 2018. Flutter's success in the U.S. market is a key ingredient for its international growth strategy as it harnesses its proprietary technology capabilities to grow local "hero" brands in these other markets through organic investments and acquisitions (including most recently, of Italy-based Snaitech S.p.A. and Brazil-based NSX Group).

  The unparalleled global scale and reach of Flutter combined with its proprietary *FlutterEdge* technology stack enable the group to consistently achieve above-market gross win rates that helps fund its investments in marketing and technology while still delivering positive free cash flow; and

- DraftKings is the next largest online sports betting bookmaker in the U.S. with around 30% share of the market and also trades at very high multiples. Unlike Flutter, DraftKings is less geographically diversified and is solely focused in the U.S. and Canadian markets. Its smaller size and narrower focus in these early stage markets also mean that marketing spend as well as technology and product development costs account for a larger share of revenue. Although DraftKings was loss making at the EBITDA level[44] in 2024, the vast growth potential in the U.S. is expected to provide material earnings upside for the group as it is expected to finally breakeven at the EBITDA and EBITA level in 2025 (hence the very high forecast multiples).

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[44] For comparative purposes, the calculated EBITDA used in the multiples analysis deducts share based expenses (or stock based compensation) as a cost. This approach differs from Draftkings' reported "Adjusted EBITDA" (which excludes stock-based compensation) which was positive in the most recent historical period.

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Entain, through its *BetMGM* joint venture with MGM, is the third largest online sports betting and iGaming operators in the U.S. with a market share of around 15%. It also operates a portfolio of iconic brands, a number of which are amongst the top three leaders in their local markets (e.g. *Ladbrokes* and *Neds* in Australia) and positioned in high growth jurisdictions such as Italy, Brazil and Poland. Despite its attractive qualities, Entain trades at much lower multiples than either Flutter or DraftKings due to its:

- structural constraints on control over its key growth asset, *BetMGM*, which is held via a joint venture with MGM;
- constraints on free cash flow, particularly given the significant amount of contributions into *BetMGM* in recent years (over US$700 million to-date but still loss making) and legal settlements paid (i.e. £585 million settlement in relation to bribery allegations);
- regulatory challenges in key markets including in the United Kingdom (e.g. penalties in relation to social responsibility and anti-money laundering safeguards), and, more recently, in Australia;
- exposure to retail wagering (around 30% of revenue) which tends to be more capital intensive than online wagering; and
- very high financial leverage (around 45% gearing), in part due to its acquisition led strategy that resulted in over 10 bolt-on acquisitions (and more than £2 billion in cash spent between 2021 and 2023).

The relatively high multiples for Rush Street also reflect the growth opportunity in the U.S., particularly given its iGaming-led strategy (which would complement its sports bookmaking operations) and the scalability of its proprietary tech stack. Unlike online sports betting, iGaming is in earlier stages of legalisation in the U.S. Only 12% of the U.S. adult population live in states for which iGaming has already been legalised (in contrast to online sports betting, which covers over 60% of U.S. adults). Rush Street already has secured market access to 33 states of which only nine are live.

Excluding these four entities, the remaining peers generally traded at a much narrower range of around 6-8 times historical and forecast EBITDA albeit at a much wider range of EBITA multiples.

Tabcorp is the only ASX listed company for which any meaningful multiples can be calculated and trades broadly in line with this latter group. Although it is one of the largest online wagering bookmakers in Australia, Tabcorp has a number of traits that likely impact its trading multiples and distinguish it from most of the other listed peers such as its:

- smaller exposure to online wagering (which accounts for only around 40% of group revenue) and, within that segment, its focus on racing (over 80% of wagering turnover in 1HY25) as opposed to sports betting;
- entrenched market position, as TABs licences give them retail wagering monopoly rights in most Australian States and Territories. Following the renewal of the retail licence in Victoria, the next exclusivity agreements due for renewal are in South Australia (2032) and New South Wales (2033); and
- cost structure. Despite its scale and attractive net win margin, Tabcorp has one of the lowest EBITDA margins amongst the peer group. While some of this may be explained by its operating model, some may be due to legacy licensing arrangements which impost both a point-of-consumption tax and wagering licence fees on the company (to which online bookmakers are not exposed). The new licence in Victoria (commenced in August 2024) helped level the playing field in the State but it may take some time for the rest of the States to modernise their terms.

On the other hand, betr is also ASX listed and is the only listed pure play online bookmaker focused on Australia but remains loss making. As a result, its multiples are not useful for the analysis. In any event, its share price is affected by its announcement of the betr Proposal (although adjusting for the share price would not resolve the other issues impacting its reliability).

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Super Group and Evoke also trade at similar forecast EBITDA multiples to Tabcorp but at much lower EBITA multiples. Online sports betting accounts for a smaller share of their revenue (around 20%) as both companies are mainly focused on iGaming in international markets (in which Tabcorp does not participate). In the case of Evoke, its multiples may also be affected by its significant amount of debt it had taken on to complete the acquisition of William Hill's non-U.S. businesses (over 80% gearing) and further weighed down by its exposure to lower growth markets such as the United Kingdom (around 70% of revenue).

Betsson also primarily focuses on iGaming. However, it trades at even lower multiples due to its large exposure to non-regulated markets (around 40% of revenue), of which some may not have a clear path towards local regulation. Despite its exposure to growth markets in Latin America and Eastern Europe, the group faces significant headwinds from its non-regulated business operations as it has exited Norway for this reason and is contemplating its longer term position in other affected markets.

Implied Multiples for PointsBet

Grant Samuel's overall valuation of PointsBet implies the following EBITDA and EBIT multiples:

POINTSBET'S BUSINESS OPERATIONS – IMPLIED VALUATION PARAMETERS

	VARIABLE ($ MILLIONS)	RANGE OF PARAMETERS	
		LOW	HIGH
Value of PointsBet's business operations($ millions)		**318.8**	**372.4**
Multiple of EBITDA			
FY24 (historical)	*(5.0)*	--	--
FY25 (midpoint of guidance range)	*7.9*	40.4x	47.2x
FY26 (broker estimates)	*26.0*	12.3x	14.3x
Multiple of EBIT			
FY24 (historical)	*(31.2)*	--	--
FY25 (midpoint of guidance range)	*(13.3)*	--	--
FY26 (broker estimates)	*7.2*	44.5x	52.0x

It is difficult to make any meaningful conclusions from the implied multiples for the group. Historical multiples have not been calculated as the group was loss making at the EBITDA and EBITA level in FY24. Forecast multiples are extremely high (at least for FY25) as the group is entering an inflection point in its earnings cycle with EBITDA is set to breakeven and turn positive for the first time in FY25. Although it is evident that these high multiples reflect the upside earnings potential from PointsBet Canada (which remains loss making but is expected to be a significant element of PointsBet's future growth), determining the extent of this "premium" relative to other market benchmarks is less clear.

In Grant Samuel's view, a more useful analysis would be to assess the multiples implied by the value ranges (as well as other benchmarks where applicable) for the individual businesses. The analysis is set out in the following pages.

POINTSBET AUSTRALIA

The value range of PointsBet Australia implies the following valuation parameters:

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POINTSBET AUSTRALIA – IMPLIED VALUATION PARAMETERS

	VARIABLE ($ MILLIONS)	RANGE OF PARAMETERS	
		LOW	HIGH
Value of PointsBet Australia ($ millions)		**260**	**290**
Multiple of EBITDA			
FY24 (historical)	*26.0*	10.0x	11.2x
FY25 (broker estimates)	*30.6*	8.5x	9.5x
FY26 (broker estimates)	*34.3*	7.6x	8.4x
Multiple of EBIT			
FY24 (historical)	*6.3*	41.5x	46.2x
FY25 (broker estimates)	*14.7*	17.7x	19.8x
FY26 (broker estimates)	*20.2*	12.9x	14.4x
Other Multiples			
Active clients (as at 31 December 2024)	*235.1k clients*	$1,106 per client	$1,234 per client

In Grant Samuel's opinion, multiples of around 8.5-9.5 times FY25 EBITDA and 7.5-8.5 times forecast FY26 EBITDA are reasonable although there is limited recent comparable transaction evidence for Australian online bookmakers to provide support.

The implied EBITDA multiples are higher than nearly all the transaction evidence involving Australian online bookmakers although most of these occurred over a decade ago. The only relevant examples are the transactions involving Sportsbet in 2009 and Centrebet in 2011 (both of which occurred at around 7-7.5 times historical EBITDA).

In some respects, a premium can be rationalised given PointsBet Australia's:

- size. Although PointsBet Australia today accounts for a smaller share of the market, it generates more than twice the amount of turnover and net revenue (although at a much lower EBITDA margins) as either Sportsbet or Centrebet at the time of acquisition;
- stable market position. In contrast to PointsBet (which has successfully maintained market share), the industry in the early 2010s was in a state of flux following the High Court decision of 2008 which meant that market positions were more fluid in light of the intense competitive environment; and
- focus on an online-only experience. At the time, both Sportsbet and Centrebet still derived nearly 20% of their turnover via telephone betting (which also had slower growth prospects).

However, the reality is that there are fundamental differences between PointsBet Australia and the two transactions that make it difficult to draw meaningful comparisons between their historical EBITDA multiples. Sportsbet and Centrebet had benefited from stronger profitability in part due to the lower ongoing marketing spend required to sustain their business. For example, Sportsbet had been spending only 6% of its revenue on marketing prior to the initial acquisition by Paddy Power (although it increased spend to around 10-12% by the time of the follow-on acquisition of the remaining interest).

In this context, the adjusted forecast EBITDA multiple for Centrebet (around 10.5 times) provides a useful benchmark. It accounts for the significant step-up in marketing costs to grow Centrebet's active client base as part of a five year campaign to lift market share. This adjustment (while imperfect) bridges some of the gap in comparability between Centrebet then and PointsBet Australia today. An implied multiple below that of Centrebet is appropriate as PointsBet Australia today faces a number of challenges that would likely affect its future earnings capacity (which were not necessarily the case for Centrebet):

- constraints on free cash flow. Although EBITDA has been positive over the last several years, its lack of scale means that more than half of EBITDA is absorbed by capital expenditure (although it is

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expected to fall closer to one-third of EBITDA within two years). In contrast, Centrebet was buoyed by much healthier profitability and cash flow levels;

- maturity of the industry. Since the online wagering industry took off in the early 2010s, growth in Australia has slowed down considerably. It is now one of the more established regulated online sports betting markets in the world with already the highest gambling expenditure per capita. In this environment, further market growth is expected to be more modest (i.e. less than 5% per annum) and any wins would be "hard won";
- increasing regulatory headwinds. Although regulatory risks have always been a feature of the online wagering industry, a recent string of new legislation (e.g. credit card bans, point of consumption taxes, etc.) has made it more difficult and costly to do business as an online bookmaker. The prospect of an ad ban introduces further uncertainties and increasingly stringent "know your client" and anti-money laundering rules will constrain revenue; and
- a competitive environment. In the early 2010s, the industry was more fragmented across a number of participants (with several bookmakers each accounting for around 10% share). The industry has since grown increasingly concentrated with now just three large and well capitalised bookmakers representing around 80% of the market. Opportunities to win share have become more difficult.

In addition, Grant Samuel has also considered evidence from:

- recent transactions involving global majors, for which nearly all transactions occurred in excess of 12 times historical EBITDA. The lower multiples for PointsBet Australia appear to be reasonable as they reflect its much smaller scale, narrower geographic focus, the maturity of the market and other constraints on earnings growth (which, unlike the global majors, have limited scope to be diversified away in other markets) and cash flow dynamics (high capital expenditure relative to EBITDA). In most cases, capital expenditure accounted for less than 25% of EBITDA for these global majors; and
- the trading multiples of listed peers in Australia and internationally, which (with the exception of Flutter and DraftKings) traded at less than nine times and mostly below seven times historical EBITDA. The premium for PointsBet Australia is expected considering multiples of listed peers do not reflect any premium for control.

  At the same time, the analysis is complicated by factors affecting each of these listed peers. The trading multiples for the closest comparable company, betr, are not useful for the analysis as it is still loss making. Tabcorp is the next most comparable peer but even its multiples (around 6-7 times EBITDA) are affected by its exposure to in-venue wagering and legacy licencing agreements as well as its focus on lower growth horse racing. Other listed peers are much larger and operate in entirely different markets. Besides Tabcorp, the listed peers generally incur much lower levels of capital expenditure as well (generally under 10% of EBITDA). Despite these limitations, the evidence is still supportive of multiples of around nine times EBITDA for PointsBet Australia.

In Grant Samuel's view, the implied multiples for PointsBet Australia business reflect a reasonable balancing of these factors taking into account the available market evidence.

POINTSBET CANADA

The value range of PointsBet Canada implies the following valuation parameters:

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POINTSBET CANADA – IMPLIED VALUATION PARAMETERS

	VARIABLE ($ MILLIONS)	RANGE OF PARAMETERS	
		LOW	HIGH
Value of PointsBet Canada ($ millions)		**55.6**	**77.8**
Historical multiples			
FY24 Revenue	*34.0*	1.6x	2.3x
FY24 EBITDA	*(20.3)*	--	--
FY24 EBIT	*(26.9)*	--	--
Other Multiples			
Active clients (as at 31 December 2024)	*57.4k clients*	$968 per client	$1,355 per client

It is difficult to evaluate the multiples implied by the valuation of PointsBet Canada:

- analysis of earnings multiples is meaningless as PointsBet Canada is loss making and is expected to remain so in the immediate future;
- there is lack of reliable forward looking multiples (e.g. revenue or earnings) as its early stage nature means that there are quite divergent views on the future growth trajectory for the business; and
- the market evidence is limited for companies in PointsBet Canada's position, with most companies electing to restructure and shut down their U.S. (or Canadian) online gambling operations due to a lack of acquirers.

In the case of assessing the value range for PointsBet Canada, the only available valuation parameters are revenue multiples and value per active client. Although these metrics are crude measures of value (as they do not reflect the cash flow capacity of the underlying business), they are the only valuation benchmarks available and can still be useful for comparison purposes (at least directionally).

PointsBet's sale of its U.S. business in 2023 is the most relevant benchmark for the valuation of PointsBet Canada. The multiples implied by Grant Samuel's valuation of PointsBet Canada are broadly in line with the implied multiples for the U.S. business (which occurred at around two times revenue and $1,200 per active client). An argument can be made that a similar multiple is warranted as both businesses share a number of qualities. They both:

- have significant growth potential with additional markets going live as online sports betting was legalised and rolled out across new states or provinces;
- operated in intensely competitive environments with numerous peers (many of which are much more diversified and better capitalised) aggressively chasing clients and market share;
- had relatively small market shares. At the time, PointsBet had around 3% blended market share in the U.S. (compared to around 1.5% in Canada today); and
- were loss making with limited visibility to profitability (at least until they attained sufficient level of economies of scale).

At the same time, any direct comparison to the U.S. business needs to be treated with caution. The sale of the U.S. business occurred under difficult circumstances and the business itself faced several headwinds. In particular, the U.S. business was in critical need for additional cash to fund its growth strategy and sustain operations. It still had significant outstanding commitments (over US$250 million over five years) under the NBCUniversal partnership which would have weighed heavily on value. Expansion into new states was difficult due to the complex state-by-state regulatory regime that, in many cases, made it much more expensive to expand into new states (e.g. "tethered" market access model). These pressures were exacerbated further by the stiff competitive pressures it faced as industry incumbents such as FanDuel and DraftKings had a natural advantage given their existing brand presence in adjacent markets (e.g. daily

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fantasy sports). At the time, PointsBet had already raised over $1 billion in capital from equity markets and there was no certainty that the market would be receptive to another raising. Deteriorating capital market conditions made it even more difficult to raise new capital even at substantially discounted prices.

The exit from the U.S. market represented a highly favourable outcome for PointsBet as nearly all other operators that have exited the market failed to find a buyer for their business. The sale price reflects the underlying value of its client base as well as access to its proprietary technology assets (as it was later rebranded by the new owners).

Value per active customers and revenue multiples are notionally benchmarks for realisation of the Canadian business to a third party. However, in the case of PointsBet Canada, the limitation on the transfer of its technology assets creates a real practical constraint on divesting the business with its technology from the rest of the group. In addition, notwithstanding its current loss making status, its longer term viability as a standalone business is also pressured by the requirement to continue to invest in its technology platform (particularly in iGaming for which there is limited synergy to its Australian business, which is solely focused on sports betting) to ensure it remains competitive with peers (many of whom already have existing iGaming platforms in other markets). Accordingly, the bottom end of the range of implied valuation parameters ($968 per active client and 1.6 times revenue) falls below that of the U.S. business ($1,200 per active client and two times revenue) to reflect a discount for that constraint.

Other relevant benchmarks include:

- the multiples implied by the asking price for WynnBet (over eight times revenue). The revenue multiples implied by Grant Samuel's valuation of PointsBet Canada are at a substantial discount this benchmark, which is appropriate given that no buyer was found at that asking price;
- historical client acquisition costs incurred by PointsBet in the Canadian market (estimated to vary between $700 and 1,100 per first time bettor; and
- the terms offered by an industry participant in a recent non binding indicative offer for the business.

Taking all of these factors into consideration, Grant Samuel's believes that the multiples for PointsBet Canada represent are reasonable although there is limited recent comparable transaction evidence available for companies in PointsBet Canada's position.

6.5 Other Assets and Liabilities

Grant Samuel's analysis has not identified any other assets or liabilities surplus to PointsBet's business operations. Accordingly, nil value has been attributed to PointsBet's other assets and liabilities.

No separate value has been attributed to PointsBet's caried forward income tax losses although recoupment was factored into the DCF analysis for both PointsBet Australia and PointsBet Canada. No value has been attributed to PointsBet's Australian carried forward capital losses ($150 million).

6.6 Net Cash

PointsBet's net cash for valuation purposes are $15.4 million. The amount reflects PointsBet's unrestricted corporate cash balance as at 31 December 2024. Net cash excludes:

- player cash, which represents the cash on hand from customer deposits that can be redeemed by customers at any time as they are part of PointsBet's working capital and have been allowed for in the cash flows in the DCF analysis; and
- lease liabilities, which is consistent with the basis on which PointsBet's business operations have been valued. In the case of the DCF analysis, annual lease payments have been included as cash outflows in the DCF analysis. However, as reported earnings are already presented on a post AASB 16 basis, the

earnings multiple analysis requires the rental payments to be deducted from EBITDA before enterprise value multiples can be calculated (see Section 6.3.2).

No adjustment has been made for the exercise of options as the options are out-of-the-money.

As at 31 December 2024, PointsBet had no external borrowings.

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7 Evaluation of the Scheme

7.1 Summary

Grant Samuel has concluded that the Scheme is fair and reasonable. Accordingly, the Scheme is in the best interests of PointsBet shareholders, in the absence of a superior proposal.

7.2 Fairness

Grant Samuel has estimated the full underlying value of PointsBet to be in the range $334-388 million which corresponds to $0.96-1.11 per share. The Scheme consideration of $1.06 per share falls within the value range of $0.96-1.11 per share. Accordingly, the Scheme is fair.

The value is the aggregate of the underlying value of PointsBet's business operations plus unrestricted corporate cash. The value range of $0.96-1.11 per share includes a premium for control and exceeds the price at which, based on current market conditions, Grant Samuel would expect PointsBet shares to trade on the ASX in the absence of a change of control proposal (or speculation as to such a proposal).

Valuation of any business is a forward looking construct and is subject to uncertainty even in the most benign economic circumstances. In the case of PointsBet, the Scheme consideration and value range must be considered in the context of an evolving industry landscape that has become more challenging for online bookmakers. Although PointsBet's FY24 financial performance has demonstrated promising "green shoots" of earnings growth, many of the risks weighing on the business remain evident.

In Australia, the key issue is how anything more than modest earnings growth can be sustained in light of various industry and company-specific headwinds. For instance:

- regulatory pressures continue to impinge on earnings capacity, even after a series of legislative reforms have made it increasingly costly and difficult to operate as an online bookmaker in Australia (e.g. the prospect of a comprehensive ban on online gambling advertising and increasingly stringent "know your client" and anti-money laundering provisions);
- market share has been largely stable for several years and any further share gains would be "hard won" and likely come at a significant cost (i.e. marketing and promotions); and
- there is limited opportunity to reduce costs further. PointsBet has already undertaken a number of steps to streamline its fixed cost base following the sale of the U.S. business. Much of the "low hanging fruit" has already been targeted and any further reductions will be increasingly hard to find and implement.

The issues for Canada are more problematic, subject to divergent views and inherently uncertain:

- the online gambling market in Ontario is intensely competitive with over 50 bookmakers, several of whom are market leading participants in the adjacent U.S. markets (and also well capitalised). Although PointsBet has already built a 3% share of the online sports betting market in Ontario, there is no guarantee that it can sustain or gain more share (which, in turn, will require greater marketing investment). Maintaining technological parity will also be increasingly challenging;
- there is significant value upside from further growth in Ontario and the anticipated opening of the Alberta and British Columbia online gambling markets but it is impossible to predict with any precision the ultimate size of the market opportunity or PointsBet's degree of success in those markets (or even in Ontario). In any event, the legislative and industry consultation process in Alberta and British Columbia still needs to play out and final commencement remains uncertain; and
- iGaming comprises most of the Canadian market. However, PointsBet has a limited track record in this segment and is dependent on third parties for content and aggregation.

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As a result of these issues, there is an extremely wide range of possible value outcomes for PointsBet's business operations. The issues are particularly stark for its Canadian business. At worst, there is a real possibility that the value of PointsBet Canada could be zero if market share remains static and other provinces do not legislate online gambling (in this context, a number of small operators in the U.S. have simply closed down). On the other hand, PointsBet Canada could plausibly begin generating positive cash flows in the near-to-medium term if its strategy proves successful and potentially even gain market share. However, the NPVs for such an outcome would need to be heavily discounted for execution risk.

In these circumstances, it is unrealistic to be precise or definitive about value at the current point in time. There is limited evidence for transactions involving companies at this stage of the industry cycle (particularly in the U.S. and Canada). To avoid a range so wide as to be meaningless, Grant Samuel has adopted a narrower range that balances growth potential and risks, the NPV outcomes of various DCF scenarios (and their likelihoods) and market evidence from other methodologies (i.e. multiples of earnings for comparable transactions and comparable listed companies) as well as recent indicative offers for the business. The value is not based on any one methodology or scenario, set of assumptions or specific multiple. It is a broadly based judgement.

7.3 Reasonableness

As the Scheme is fair, it is also reasonable. In any event, there are a number of factors that support the reasonableness of the Scheme and which PointsBet shareholders should consider in determining whether to vote for the Scheme. These factors are set out in the following sections.

7.3.1 Premium for Control

The Scheme consideration of $1.06 per share represents a 28% premium to the price at which PointsBet shares last traded prior to announcement of the Scheme on 25 February 2025. The premium is lower (circa 24%) but still at elevated levels when assessed against PointsBet's share price in the month prior to the announcement but substantially higher relative to prices over the 6-12 months prior to announcement:

POINTSBET – PREMIUM OVER PRE-ANNOUNCEMENT PRICES[45]

PERIOD	POINTSBET PRICE/VWAP	PREMIUM
25 February 2025 – Pre-announcement price	$0.83	28%
1 week prior to 25 February 2025 – VWAP	$0.88	21%
1 month prior to 25 February 2025 – VWAP	$0.86	24%
3 months prior to 25 February 2025 – VWAP	$0.93	14%
6 months prior to 25 February 2025 – VWAP	$0.77	37%
12 months prior to 25 February 2025 – VWAP	$0.63	69%

These premiums are broadly in line with the level usually associated with takeovers of 20-35% although it should be recognised that premiums for control:

- are an outcome not a determinant of value; and
- vary widely depending on individual circumstances of the target and other factors (such as the presence of competing offers). The premiums in a substantial proportion of transactions actually fall outside (either above or below) the 20-35% range.

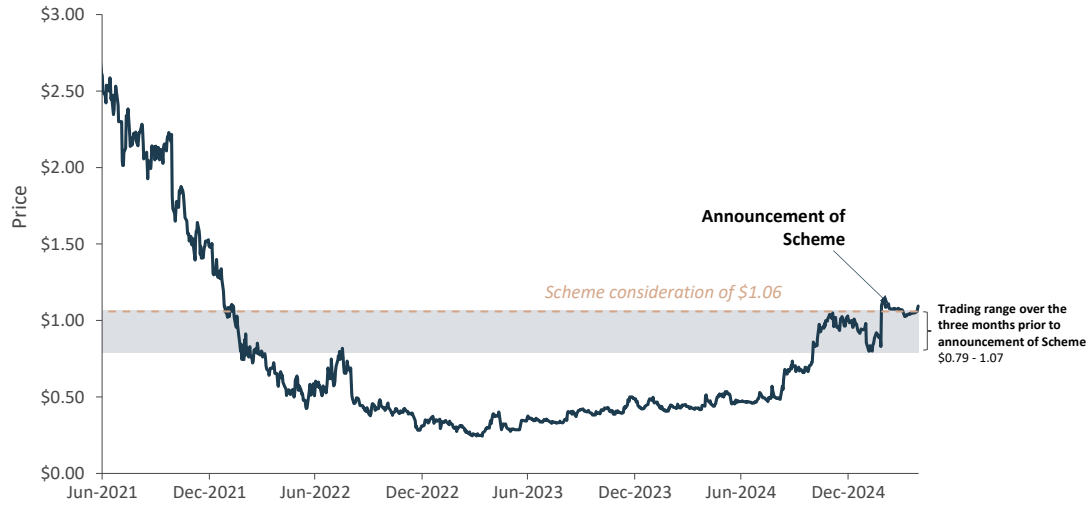
When considering the extent of the premium, PointsBet shareholders should take the following factors into account:

[45] The calculated VWAP includes all trades as reported in IRESS and is adjusted for the capital returns.

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- there is no evidence to suggest that PointsBet share prices in the weeks leading up to announcement of the Scheme did not reflect the rational view of a well informed market:
  - under ASX Listing Rules, PointsBet is required to keep the market informed of events and developments in a timely manner as they occur. The second quarterly results were announced on 31 January 2025, approximately four weeks prior to the Scheme. There is no reason to believe that any information relating to PointsBet's existing business that would have a material impact on its share price had not been publicly disclosed at the time;
  - the company is well covered by brokers, all of whom regularly monitor PointsBet's performance and publish research updates, earnings estimates and target prices; and
  - its shares have a reasonable level of trading liquidity (annual turnover of over 140% of free float shares). Average weekly trading volume in the month leading up to announcement of the Scheme was around 1.5% of free float (similar to levels seen in the months leading up to the announcement);
- PointsBet shares have not closed at or above $1.06 since early 2022. Although PointsBet shares did trade as high as $1.07 in early December 2024, the shares have generally traded within a range of $0.80-0.90 since the quarterly results were released in late January 2025:

POINTSBET — ADJUSTED SHARE PRICE TRADING RANGE RELATIVE TO SCHEME CONSIDERATION
30 JUNE 2021 TO 30 APRIL 2025



Source: IRESS

The PointsBet share price suffered a sharp fall between June 2021 and June 2022 and, despite a brief recovery in the subsequent months, resumed its downwards trend before bottoming out in April 2023 (at around $0.24, adjusted). The announcement of the sale of the U.S. business in May 2023 provided a turning point for the share price as it began a slow and gradual recovery over the next 18 months and the leaner and more focused business began demonstrating signs of curtailing its losses. The share price ultimately peaked at an intraday high of $1.07 in late November 2024 before retracing some of those gains in subsequent weeks. These trading levels preceded the release of PointsBet's second quarterly results on 31 January 2025 and, as a consequence, likely did not represent a fully informed market (in the context of setting an undisturbed share price for the Scheme).

The second quarterly results announcement included material information that caused an adverse market reaction (as PointsBet's share price fell by over 12% on the day of announcement):

- key trading metrics for PointsBet Australia and PointsBet Canada (e.g. net win, turnover);

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- quarterly cash flow position; and
- downgrade to FY25 guidance for revenue and EBITDA.

Accordingly, the period between announcement of the second quarterly results and the last trading day prior to announcement of the Scheme presents the "cleanest" picture of an undisturbed share price for PointsBet. The premiums over prices in this period broadly fall in the 20-30% range; and

- since announcement of the Scheme and the betr Proposal, PointsBet shares initially traded at or above the Scheme consideration (in a range of $1.02-1.18 or a VWAP of $1.08) possibly reflecting expectations of further developments in relation to betr. However, it has trended closer to the Scheme consideration of $1.06 over the following month and, although it had fallen before the offer price in the first week of April, has climbed above those levels again in subsequent weeks (up to around $1.10) following the acquisition of a 19.9% interest in the company by betr (and the subsequent disclosures reiterating its continued interest in acquiring PointsBet). If the share price continues to trade above the Scheme consideration, shareholders can realise a higher value by selling their PointsBet shares on market rather than accepting the Scheme consideration. However, there is no guarantee that the shares will continue to trade above the Scheme consideration and any premium may disappear if a large enough number of shareholders seek to sell. At the same time, shareholders who opt to sell their shares prior to the vote would be precluded from participating in any further upside in the share price (especially if an alternative option or competing proposal arises).

7.3.2 Share Trading in the Absence of the Scheme

The Scheme enables shareholders to realise their investment in PointsBet at a cash price which incorporates a premium for control. In the absence of the Scheme or a similar transaction, shareholders could only realise their investment by selling on market at a price which does not include any premium for control and would incur transaction costs (e.g. brokerage).

In this context, the headline results from the release of quarterly results on 31 January 2025 were promising as they showed a 6% increase in group revenue and a sharp improvement in "normalised" group EBITDA (albeit still negative) over the prior comparable period in 1HY24. Most of the gains resulted from the improving financial performance of the Australian business (particularly with its improving quality of net wins and client mix, albeit at lower turnover).

However, the update highlighted the growing pains of its Canadian business as:

- net win was hampered by unfavourable results caused by customer-friendly seasons in the NFL and higher than expected customer payouts on slots games; and
- the iGaming product was lagging expectations, particularly in relation to generosities target and loyalty initiatives.

Due to these challenges, PointsBet reduced its FY25 guidance for revenue and EBITDA. Analyst reaction to the second quarterly results and updated guidance was mixed. All analysts (bar one) retained their 'buy' or 'overweight' recommendation on the stock but the majority reduced their price targets by an average of 7% (with most setting a new price target over the next 12 months in the range $0.90-$1.00). The share price fell by over 12% on the day of announcement of the results and traded at around $0.80-0.90 for most of the following weeks. It was not until announcement of the Scheme that the shares again began trading at or closer to $1.06.

In the absence of the Scheme or a similar transaction, it is likely that PointsBet shares, under current market conditions, would trade at prices below the Scheme consideration of $1.06 per share.

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7.3.3 Alternative Offers

In deciding whether to vote in favour of, or against, the Scheme, shareholders need to have regard to the alternatives realistically available to them. It is conceivable that betr or another third party could make a superior offer for PointsBet:

- PointsBet has a number of strategic attractions for online bookmakers given its track record and established brand recognition as the fifth largest bookmaker in Australia. Its proprietary in-house technology platform is highly coveted and is a key differentiator from other domestic peers (many of which rely on third party providers under a white label model).

  The Canadian business provides further optionality with significant earnings upside. The Canadian online gambling market remains in its early stages but is ripe for growth as new addressable markets are unlocked with the legalisation of online gambling in additional provinces or territories. While PointsBet accounts for a very small share in a crowded market, a well capitalised owner could leverage PointsBet's existing active client base to accelerate the growth strategy in Canada.

  Since 2022, PointsBet has fielded buyer interest for its Australian operations from a number of third parties including industry participants and overseas operators, underlining the strategic appeal of its Australian operations and its attractiveness as an investment proposition. Indicative offers have also been made for PointsBet Canada. There are no impediments (arising from the Scheme) to these parties (or any others) re-engaging with PointsBet;

- while betr's 19.9% shareholding may discourage or deter other parties from making an offer for PointsBet (and could potentially be sufficient to block competing schemes of arrangement that require 75% approval), it would not necessarily be an insurmountable hurdle to a determined third party that was making a sufficiently attractive offer. Similarly, MIXI's right to match any competing proposal and the $3.5 million break fee (approximately 1 cent per share) would not necessarily stop a determined bidder;

- while PointsBet has agreed to customary exclusivity provisions, there is a fiduciary carve out and PointsBet can respond to unsolicited proposals from other parties (subject to a notification obligation); and

- the PointsBet Board formed the view that the original betr Proposal in its current form could not reasonably be expected to lead to a superior proposal to the Scheme. However, the Board, as at the date of this report, is still considering whether the Revised betr Proposal could reasonably be expected to lead to a superior proposal.

  In any event, betr has not stated that the Revised betr Proposal is its "best" or "final" offer. There are no structural impediments arising from the Scheme that would prevent betr from enhancing its proposal and submitting a superior offer to the PointsBet Board.

However:

- a number of the potential acquirers that already operate in Australia may face regulatory hurdles in acquiring PointsBet due to their existing market positions. The extent to which these competition law concerns are insurmountable has yet to be tested;

- the meeting at which PointsBet shareholders will vote on the Scheme is scheduled for 12 June 2025. There should be ample time for an alternative offeror to come forward with a superior offer capable of acceptance (i.e. at least three months since announcement of the Scheme). If this does not occur, it would be imprudent for shareholders to vote against the Scheme in anticipation of a subsequent superior offer from a party other than MIXI or betr;

- the Revised betr Proposal still lacks clarity as to the precise terms of any consideration to be offered to PointsBet shareholders (including the application of the scale-back); and

- the directors have undertaken to consider the Revised betr Proposal and update shareholders in relation to that proposal (and any implications for the Scheme), including any change of opinion (if any), prior to the meeting on 12 June 2025. A change of opinion would likely lead to a new scheme of arrangement for the Revised betr Proposal (or any enhancement thereof).

At the date of this report, there is no alternative proposal that shareholders can accept other than the Scheme. The Revised betr Proposal is non-binding and indicative (and subject to due diligence and other conditions).

7.4 Other Matters

Taxation Consequences

If the Scheme is implemented, PointsBet shareholders will be treated as having disposed of their PointsBet shares for tax purposes. A capital gain or loss may arise on disposal depending on the cost base for the PointsBet shares, the length of time held, whether the shares are held on capital or revenue account and whether the shareholder is an Australian resident for tax purposes.

Details of the Australian taxation consequences for shareholders who are Australian resident individuals and hold their shares on capital account are set out in Section 8 of the Scheme Booklet. Shareholders should consult their own professional adviser in relation to the taxation consequences of the Scheme.

Transaction Costs

If the Scheme is not approved by shareholders or is otherwise not implemented, it is estimated that PointsBet will meet costs (including legal and other adviser's fees as well as printing and mailing costs) of $3.25 million (less approximately 1 cent per share). In certain circumstances, PointsBet will also be liable to pay MIXI a $3.5 million break fee. If the Scheme is implemented, all transaction costs will effectively be borne by MIXI.

7.5 Shareholder Decision

Grant Samuel has been engaged to prepare an independent expert's report setting out whether in its opinion the Scheme is in the best interests of PointsBet shareholders and to state reasons for that opinion. Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Scheme, the responsibility for which lies with the directors of PointsBet.

In any event, the decision whether to vote for or against the Scheme is a matter for individual shareholders based on each shareholder's views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt as to the action they should take in relation to the Scheme, shareholders should consult their own professional adviser.

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8 Qualifications, Declarations and Consents

8.1 Qualifications

The Grant Samuel group of companies provide corporate advisory services in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared nearly 600 public independent expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Stephen Wilson MCom (Hons) CA SF Fin and Jaye Gardner BCom LLB (Hons) CA SF Fin GAICD. Each has a significant number of years of experience in relevant corporate advisory matters. Shaun Yu BBA CFA, Mathew Hildebrand BProfAccg BProfPrac and Tom Rowe B.Com MBA assisted in the preparation of the report. Each of the above persons is a representative of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act.

8.2 Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Scheme is in the best interests of shareholders. Grant Samuel expressly disclaims any liability to any PointsBet shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet issued by PointsBet and has not verified or approved any of the contents of the Scheme Booklet. Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

8.3 Independence

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with PointsBet or MIXI or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Samuel had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of $275,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011.

8.4 Declarations

PointsBet has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving negligence or wilful misconduct by Grant Samuel. PointsBet has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and

expenses incurred in relation to any inquiry or proceeding initiated by any person. Any claims by PointsBet are limited to an amount equal to the fees paid to Grant Samuel. Where Grant Samuel or its employees and officers are found to have been negligent or engaged in wilful misconduct Grant Samuel shall bear the proportion of such costs caused by its action.

Advance drafts of this report were provided to PointsBet and its advisers. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts. An advanced draft of this report was also provided to MIXI.

8.5 Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to shareholders of PointsBet. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

8.6 Other

The accompanying letter dated 8 May 2025 and the Appendix form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

GRANT SAMUEL & ASSOCIATES PTY LIMITED

8 May 2025



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APPENDIX 1

BROKER CONSENSUS FORECASTS

Broker Consensus for PointsBet

Set out below is a summary of forecasts prepared by brokers that follow PointsBet in the Australian stockmarket:

POINTSBET – BROKER FORECASTS ($ MILLIONS)

		REVENUE		EBITDA		EBIT	
BROKER	DATE	FY25	FY26	FY25	FY26	FY25	FY26
Broker 1	31 Jan 25	264.7	297.5	12.3	27.1	(15.5)	13.0
Broker 2	31 Jan 25	264.4	289.7	12.0	39.6	(2.5)	24.4
Broker 3	31 Jan 25	270.0	302.0	14.0	27.0	(7.0)	9.0
Broker 4	1 Feb 25	262.0	299.0	13.0	32.0	(7.0)	13.0
Broker 5	2 Feb 25	260.3	298.2	13.0	30.1	(12.5)	6.4
Broker 6	27 Feb 25	263.5	296.6	12.4	32.0	(13.2)	4.4
KEY STATISTICS							
High		*270.0*	*302.0*	*14.0*	*39.6*	*(2.5)*	*24.4*
Low		*260.3*	*289.7*	*12.0*	*27.0*	*(15.5)*	*4.4*
Median		***264.0***	***297.9***	***12.7***	***31.1***	***(9.8)***	***11.0***

Source: Brokers' reports, Grant Samuel analysis

When reviewing this data, the following should be noted:

- the forecasts for FY25 and FY26 represent the latest available broker forecasts for PointsBet following announcement of the second quarterly results on 31 January 2025 (bar one, which updated its forecasts after announcement of the HY25 results). They do not reflect PointsBet's third quarterly results which, at the date of this report, have not been disclosed to the market;
- as far as Grant Samuel is aware, PointsBet is followed by six brokers. However:
  - only five of the six brokers disclose segment level revenue and EBITDA estimates for PointsBet Australia and PointsBet Canada; and
  - two of the brokers are advising BlueBet in relation to its non-binding proposal to acquire PointsBet but their reports were published prior to the disclosure of their relationship and, as a consequence, were not restricted at the time of publication;
- the broker forecasts appear to have been prepared on a consistent basis:
  - broker forecasts for EBITDA and EBIT appear to be prepared on a "normalised" basis (i.e. excluding share options expense). In particular, all broker estimates for FY25 EBITDA fall within the FY25 guidance range provided by PointsBet management (i.e. $11-14 million "normalised" EBITDA); and
  - as far as is possible to identify from a review of the brokers' reports, Grant Samuel believes that the earnings forecasts do not incorporate any other one-off adjustments or non-recurring items; and
- the broker forecasts for PointsBet's group EBITDA include approximately $10-12 million per annum in unallocated corporate costs.

Broker Consensus for PointsBet Australia

Set out below is a summary of forecasts prepared by brokers that follow PointsBet and separately disclose forecasts for PointsBet Australia:

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POINTSBET AUSTRALIA – BROKER FORECASTS ($ MILLIONS)

BROKER	DATE	REVENUE		EBITDA	
		FY25	FY26	FY25	FY26
Broker 1	31 Jan 25	217.2	227.3	29.9	34.1
Broker 2	31 Jan 25	217.1	216.1	29.5	36.8
Broker 3	31 Jan 25	--	--	--	--
Broker 4	1 Feb 25	220.0	235.0	33.0	39.0
Broker 5	2 Feb 25	216.8	241.3	30.6	41.3
Broker 6	27 Feb 25	213.6	218.0	29.4	30.8
KEY STATISTICS					
High		*220.0*	*241.3*	*33.0*	*41.3*
Low		*213.6*	*216.1*	*29.4*	*30.8*
Median		***217.1***	***227.3***	***29.9***	***36.8***

Source: Brokers' reports, Grant Samuel analysis

The EBITDA estimates include internal charges for technology and allocated personnel (i.e. PointsBet Australia's share of costs from the Technology segment). However, it appears to be presented on a "normalised" basis and therefore excludes share options expense.

Broker Consensus for PointsBet Canada

Set out below is a summary of forecasts prepared by brokers that follow PointsBet and separately disclose forecasts for PointsBet Canada:

POINTSBET CANADA – BROKER FORECASTS ($ MILLIONS)

BROKER	DATE	REVENUE		EBITDA	
		FY25	FY26	FY25	FY26
Broker 1	31 Jan 25	47.5	70.2	(6.5)	4.6
Broker 2	31 Jan 25	47.4	73.7	(7.3)	13.5
Broker 3	31 Jan 25	--	--	--	--
Broker 4	1 Feb 25	42.0	64.0	(10.0)	2.0
Broker 5	2 Feb 25	43.5	56.9	(8.2)	(1.5)
Broker 6	27 Feb 25	49.9	78.6	(7.9)	10.6
KEY STATISTICS					
High		*49.9*	*78.6*	*(6.5)*	*13.5*
Low		*42.0*	*56.9*	*(10.0)*	*(1.5)*
Median		***47.4***	***70.2***	***(7.9)***	***4.6***

Source: Brokers' reports, Grant Samuel analysis

Given the early stage of Canada's sports betting and iGaming market, there is a very wide spread of estimates of PointsBet Canada's future revenue and EBITDA and the median consensus broker forecasts for revenue and EBITDA differ materially from PointsBet's internal projections.

However, there appears to be a general consensus among the brokers that:

- there is a vast untapped opportunity in Canada as the total addressable market continues to expand in Ontario and with the anticipated opening of new provinces (i.e. Alberta and British Columbia);
- continued market share gains across sports betting and iGaming is plausible (although estimates vary considerably and range between 3% and 5% by FY30); and
- EBITDA is widely expected to be positive over a full year by at least FY26 (although one broker expects a full year of breakeven EBITDA to be achieved a year later).