



# *POINTS*BET

**Q4 FY23 QUARTERLY ACTIVITIES REPORT**  
**Investor Presentation 28 July 2023**

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## Q4 FY23 KEY HIGHLIGHTS

- **Delivered strong Group Net Win of \$102m**, up 19% on PCP
- **Australia Net Win** up 1% on the PCP to \$55.6m
- **Canada Net Win up 3052%** on the PCP to \$5.5m
- **US Net Win up 35%** on the PCP to \$41.2m
- **Group Sports Betting Net Win Margin of 8.1%, +2.0pp on PCP**, with strong performances across the 3 regions
- **Group FY 2023 Net Win \$391m**, up 26% on PCP
- **Adjusted Corporate Cash<sup>3</sup> at 30 June 2023** was A\$202.1m
- **Retained our #3 ranking in Eilers & Krejcik's US app testing** for the 5<sup>th</sup> consecutive quarter
- **Shareholder approval of Sale of the US Business to Fanatics Betting & Gaming** on 30 June 2023
  - Headline consideration of **US\$225m/AUD\$333m<sup>1</sup>**
  - **The Company intends to distribute to shareholders** the net sale proceeds together with the majority of corporate cash reserves. The current estimate for the total distributions of capital is approximately A\$1.39 to \$1.44 per share<sup>2</sup>.

<sup>1.</sup> Assumes AUD/USD exchange rate of 0.675. PointsBet funding requirement for the US Business will be capped at approximately US\$21m from the 1 July 2023 to final completion of the US Business.

<sup>2.</sup> The final amount of the Proposed Distribution will be determined by the Board following each completion of the FBG Transaction and will, in part, depend on the final number of shares outstanding post the relevant completion and the finalisation of the net proceeds received or paid following the purchase price adjustments. At the date of this announcement there are 311.6 million ordinary shares outstanding and the maximum number of ordinary shares outstanding post the vesting and exercise of the Company's performance share rights and employee share options is approximately 328.1 million. The estimated distribution of A\$1.39 to A\$1.44 per share has been calculated based on assumptions made regarding: (a) the number of employee options that are likely to be exercised between the date of this announcement and the books close date for the Proposed Distribution; and (b) the number of performance share rights that will vest prior to the Proposed Distribution. The vesting of performance share rights will be determined at the discretion of the Company's Remuneration Committee, as is customary each year.

<sup>3.</sup> Adjusted Corporate Cash is Corporate Cash of \$194.6m adjusted for reimbursable US Business sale related payments of \$7.5mn, paid in Q4 FY23 that will be reimbursed at the second close of the US Business sale.

## GROUP Q4 FY23 TRADING METRICS<sup>1</sup>



### Remaining Operations

### SaleCo

### Group

<i>All figures in A\$</i>		Q4 FY22	Q4 FY23	PCP	Q4 FY22	Q4 FY23	PCP	Q4 FY22	Q4 FY23	YoY
SPORTS BETTING	Turnover / Handle <sup>2</sup>	\$614.6m	\$544.8m	(11%)	\$687.9m	\$524.4m	(24%)	\$1,302.5m	\$1,069.1m	(18%)
	Gross Win Margin %	13.0%	13.9%	+0.8pp	6.1%	8.2%	+2.1pp	9.4%	11.1%	+1.7pp
	Gross Win <sup>3</sup>	\$80.2m	\$75.6m	(6%)	\$41.9m	\$43.1m	+3%	\$122.0m	\$118.7m	(3%)
	Net Win Margin %	8.9%	10.6%	+1.7pp	3.5%	5.5%	+2.0pp	6.0%	8.1%	+2.0pp
	Net Win <sup>4</sup>	\$54.7m	\$57.5m	+5%	\$23.8m	\$28.6m	+20%	\$78.5m	\$86.1m	+10%
iGAMING	Net Win	\$0.7m	\$3.6m	+453%	\$6.7m	\$12.6m	+89%	\$7.3m	\$16.2m	+122%
TOTAL	Total Net Win	\$55.3m	\$61.1m	+10%	\$30.4m	\$41.2m	+35%	\$85.8m	\$102.3m	+19%

1. Average AUD/USD FX rate was 0.6681 for Q4FY23 and 0.7154 for Q4FY22 , Average AUD/CAD rate was 0.8973 for Q4FY23 and 0.9126 for Q4 FY22.

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

3. Gross Win is the dollar amount received from clients who placed losing bets less the dollar amount paid to clients who placed winning bets, excluding the cost of pricing promotions.

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

## GROUP FY23 TRADING METRICS<sup>1</sup>



### Remaining Operations



### SaleCo

### Group

		<i>All figures in A\$</i>								
		FY22	FY23	PCP	FY22	FY23	PCP	FY22	FY23	YoY
SPORTS BETTING	Turnover / Handle	\$2,552.4m	\$2,827.3m	11%	\$2,454.0m	\$2,917.2m	+19%	\$5,006.3m	\$5,744.6m	15%
	Gross Win Margin %	13.3%	11.4%	(1.9pp)	6.5%	6.7%	+0.2pp	9.9%	9.0%	(1.0pp)
	Gross Win	\$339.1m	\$321.4m	(5%)	\$158.7m	\$194.5m	+23%	\$497.8m	\$516.0m	4%
	Net Win Margin %	8.4%	7.7%	(0.7pp)	3.0%	4.0%	+1.0pp	5.8%	5.8%	+0.1pp
	Net Win	\$214.9m	\$218.5m	+2%	\$74.1m	\$117.3m	+58%	\$289.1m	\$335.8m	+16%
iGAMING	Net Win	\$0.7m	\$11.5m	+1,652%	\$19.7m	\$43.8m	+122%	\$20.4m	\$55.3m	+172%
TOTAL	Total Net Win	\$215.6m	\$230.0m	+7%	\$93.9m	\$161.1m	+72%	\$309.4m	\$391.1m	+26%

## AUSTRALIA Q4 FY23 AND FY23 TRADING METRICS

<i>All figures in A\$</i>		Q4 FY22	Q4 FY23	PCP	QoQ	FY22	FY23	YoY
<b>SPORTS BETTING</b>	<b>Turnover / Handle</b>	\$598.6m	\$502.3m	<b>(16%)</b>	<b>(13%)</b>	\$2,536.4m	\$2,632.6m	<b>4%</b>
	<b>Gross Win Margin %</b>	13.3%	14.4%	<b>+1.1pp</b>	<b>+2.3pp</b>	13.3%	11.7%	<b>(1.6pp)</b>
	<b>Gross Win</b>	\$79.5m	\$72.3m	<b>(9%)</b>	<b>+3%</b>	\$338.4m	\$309.1m	<b>(9%)</b>
	<b>Net Win Margin %</b>	9.2%	11.1%	<b>+1.9pp</b>	<b>+2.3pp</b>	8.5%	8.0%	<b>(0.5pp)</b>
	<b>Net Win</b>	\$55.2m	\$55.6m	<b>+1%</b>	<b>+10%</b>	\$215.4m	\$211.7m	<b>(2%)</b>

- Sustainable mass market client base continued to deliver Net Win growth in Q4 FY23 (36% up vs PCP)
- Promotions efficiency in Q4 FY23 continued to improve at 23.0% of Gross Win vs 30.6% in PCP, enabled by tokens, personalization and data science
- Net Win growth in key sports in Q4 FY23 – AFL & NRL, up +200% vs PCP; Tennis & Soccer, up +50% vs PCP
- Q4 FY23 marketing expense<sup>2</sup> was \$7.4m, down 23% vs PCP, FY23 marketing expense was \$61m, flat vs FY22
- Cash Active Clients<sup>1</sup> were 238,624 at 30 June 2023, flat vs 31 March 2023

1. Cash Active Clients are clients that have placed a cash bet in the 12 months preceding the relevant period end;

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

3. Per PointsBet management estimates.

## CANADA Q4 FY23 AND FY23 TRADING METRICS<sup>1</sup>

<i>All figures in A\$</i>		Q4 FY22	Q4 FY23	PCP	QoQ	FY22	FY23	YoY
<b>SPORTS BETTING</b>	<b>Turnover / Handle</b>	\$16.0m	\$42.5m	<b>+166%</b>	<b>(17%)</b>	\$16.0m	\$194.8m	<b>+1,120%</b>
	<b>Gross Win Margin %</b>	4.2%	7.7%	<b>+3.6pp</b>	<b>(0.1pp)</b>	4.2%	6.4%	<b>+2.2pp</b>
	<b>Gross Win</b>	\$0.7m	\$3.3m	<b>+394%</b>	<b>(18%)</b>	\$0.7m	\$12.4m	<b>+1,758%</b>
	<b>Net Win Margin %</b>	(3.0%)	4.4%	<b>+7.4pp</b>	<b>(0.4pp)</b>	(3.0%)	3.5%	<b>+6.5pp</b>
	<b>Net Win</b>	(\$0.5m)	\$1.9m	<b>n.m</b>	<b>(24%)</b>	(\$0.5m)	\$6.8m	<b>n.m</b>
<b>iGAMING</b>	<b>Net Win</b>	\$0.7m	\$3.6m	<b>+453%</b>	<b>0%</b>	\$0.7m	\$11.5m	<b>+1,652%</b>
<b>TOTAL</b>	<b>Total Net Win</b>	\$0.2m	\$5.5m	<b>+3,052%</b>	<b>(10%)</b>	\$0.2m	\$18.3m	<b>+10,415%</b>

- In-play mix of sportsbook handle grew to 68% in Q4 FY23, up from 53% in the PCP
- Sports betting trading margin in Q4 FY23 improved to 7.7% supported by growing mix of parlay handle
- Q4 FY23 marketing expense<sup>3</sup> was C\$5.5m, down 22% from PCP. FY23 marketing expense was C\$26.4m
- Cash Active Clients<sup>1</sup> reached 30,423 at 30 June 2023, up 8% from 31 March 2023
- Signup conversion to first time bettor improved significantly in Q4 FY23, enabled by key operational and technological enhancements

<sup>1</sup> Average AUD/CAD rate was 0.8973 for Q4Y23, 0.9126 for Q4 FY22 and 0.9249 for Q3 FY23. Average AUD/CAD FX rate was 0.9016 for FY23 and 0.9183 for FY22.

<sup>2</sup> Cash Active Clients are clients that have placed a cash bet in the 12 months preceding the relevant period end.

<sup>3</sup> Marketing expense includes all direct and indirect marketing costs, including production, agency/placement fees and working media, expensed as incurred during the period including amounts unpaid at the end of the period.

## US Q4 FY23 AND FY23 TRADING METRICS<sup>1</sup>

<i>All figures in A\$</i>		Q4 FY22	Q4 FY23	PCP	QoQ	FY22	FY23	YoY
<b>SPORTS BETTING</b>	<b>Turnover / Handle</b>	\$687.9m	\$524.4m	<b>(24%)</b>	<b>(36%)</b>	\$2,454.0m	\$2,917.2m	<b>+19%</b>
	<b>Gross Win Margin %</b>	6.1%	8.2%	<b>+2.1pp</b>	<b>+1.4pp</b>	6.5%	6.7%	<b>+0.2pp</b>
	<b>Gross Win</b>	\$41.9m	\$43.1m	<b>+3%</b>	<b>(23%)</b>	\$158.7m	\$194.5m	<b>+23%</b>
	<b>Net Win Margin %</b>	3.5%	5.5%	<b>+2.0pp</b>	<b>0.8pp</b>	3.0%	4.0%	<b>+1.0pp</b>
	<b>Net Win</b>	\$23.8m	\$28.6m	<b>+20%</b>	<b>(25%)</b>	\$74.1m	\$117.3m	<b>+58%</b>
<b>iGAMING</b>	<b>Net Win</b>	\$6.7m	\$12.6m	<b>+89%</b>	<b>+7%</b>	\$19.7m	\$43.8m	<b>+122%</b>
<b>TOTAL</b>	<b>Total Net Win</b>	\$30.4m	\$41.2m	<b>+35%</b>	<b>(17%)</b>	\$93.9m	\$161.1m	<b>+72%</b>

- Promotions efficiency continued to improve, falling to 34% of Gross Win in Q4 FY23 vs 43% of Gross Win in PCP
- Cash Actives Cleints<sup>2</sup> were 276,875 at 30 June 2023, down 4% from 31 March 2023
- Q4 FY23 marketing expense<sup>3</sup> was US\$20.3m, down 26% from the PCP. FY23 marketing expense was US\$90m, down 24% vs FY22
- Launched the PointsBet Racing App and Same Game Parlay Combo

1. Average AUD/USD FX rate was 0.6681 for Q4FY23, 0.7154 for Q4FY22 and 0.6851 for Q3FY23. Average AUD/USD FX rate was 0.6736 for FY23 and 0.7258 for FY22.

2. Cash Active Clients are clients that have placed a cash bet in the 12 months preceding the relevant period end

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



## SUMMARY OF QUARTERLY CASH FLOWS

All amounts in A\$m <sup>1</sup>	Q4FY23	Q3FY23
Receipts from customers (inclusive of GST)	105.9	108.9
Cost of sales	(56.7)	(55.5)
Sales and marketing <sup>3</sup>	(36.1)	(69.0)
Staff costs	(25.8)	(26.8)
Administration, corporate costs and GST paid on Net Win	(24.9)	(19.7)
Other operating cash flows	1.3	2.8
<b>Net cash (outflow) from operating activities excluding movement in player cash</b>	<b>(36.3)</b>	<b>(59.3)</b>
Change in player cash accounts	(11.5)	(17.4)
<b>Net cash (outflow) from operating activities</b>	<b>(47.8)</b>	<b>(76.7)</b>
Purchase of property & equipment	(0.0)	(0.6)
Payments for capitalised software development	(9.5)	(10.1)
Other non-current assets	(1.4)	0.2
Payments for licence intangibles	(0.0)	(0.5)
<b>Net cash (outflow) from investing activities</b>	<b>(11.0)</b>	<b>(11.0)</b>
Proceeds from exercise of share options	0.0	0.2
Other financing cash flow	(1.5)	(1.4)
<b>Net cash (outflow) from financing activities</b>	<b>(1.5)</b>	<b>(1.0)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>301.4</b>	<b>387.2</b>
<b>Net cash flow excluding movement in player cash</b>	<b>(48.7)</b>	<b>(71.3)</b>
<b>Net cash flow</b>	<b>(60.2)</b>	<b>(88.7)</b>
<b>Effect of movement in exchange rates on cash held</b>	<b>(8.4)</b>	<b>2.9</b>
<b>Cash and cash equivalents at end of the period<sup>2</sup></b>	<b>232.8</b>	<b>301.4</b>
<b>Corporate cash at end of the period</b>	<b>194.6</b>	<b>251.7</b>

- At 30 June 2023, the group had \$194.6m of Corporate Cash, with Adjusted Corporate Cash<sup>4</sup> of \$202.1m
- Total cash receipts from customers were \$105.9m, including \$102.2m from Sportsbook and iGaming. The balance of cash receipts from PointsBet's B2B operations and US Advance Deposit Wagering (ADW) business
- Net operating outflows, excluding movement in player cash accounts and excluding US Business sale related payments<sup>4</sup> made in Q4 FY23, was \$28.8m, 51% lower than Q3 FY23
- Net investing outflows were \$11.0m, in line with Q3 FY23
- H2 FY23 net cash outflows, excluding movement in player cash accounts and excluding US Business sale related payments<sup>4</sup> made in Q4 FY23, was \$112.6m, 28% lower than H1 FY23, in line with previous guidance
- The Company's H2 FY23 Group Normalized EBITDA loss will be in line with previous guidance of \$(77m) to \$(82m)

1. End of period AUD/USD FX rate 0.6623, AUD/CAD FX rate 0.8778, AUD/EUR FX rate 0.6106;

2. Cash and cash equivalents at end of the period includes \$38.2 million in player cash accounts;

3. Sales and Marketing payments includes all direct and indirect marketing costs, including production, agency/placement fees and working media incurred during the period, including net working capital relating to the settlement of payables/accruals from prior periods and unpaid marketing expenses at the end of the period.

4. Adjusted Corporate Cash is Corporate Cash of \$194.6m adjusted for reimbursable US Business sale related payments of \$7.5mn, paid in Q4 FY23 that will be reimbursed at the second close of the US Business sale.

## UPDATE ON THE SALE OF THE US BUSINESS TO FANATICS BETTING AND GAMING AND THE PROPOSED DISTRIBUTIONS

- Since the successful shareholder vote on 30 June 2023, the PointsBet and Fanatics teams have been engaging well on the transitional requirements and on the integration of the PointsBet US business into the Fanatics organization
- Both organizations are very excited about what a combination of the Fanatics brand, database and team together with PointsBet's technology, market access, and team can achieve in the US gaming market
- The US state by state regulatory approval processes across our sports betting, iGaming and ADW (racing) jurisdictions is tracking as planned
- The Notice of Meeting asking shareholders to approve the Proposed Distributions<sup>1</sup> (in total approximately \$1.39 – \$1.44 per share) is to be dispatched soon and the targeted first tranche distribution of approximately \$1.00 per share is on track for a mid-September payment

<sup>1</sup> The final amount of the Proposed Distribution will be determined by the Board following each completion of the FBG Transaction and will, in part, depend on the final number of shares outstanding post the relevant completion and the finalisation of the net proceeds received or paid following the purchase price adjustments. At the date of this announcement there are 311.6 million ordinary shares outstanding and the maximum number of ordinary shares outstanding post the vesting and exercise of the Company's performance share rights and employee share options is approximately 328.1 million. The estimated distribution of A\$1.39 to A\$1.44 per share has been calculated based on assumptions made regarding: (a) the number of employee options that are likely to be exercised between the date of this announcement and the books close date for the Proposed Distribution; and (b) the number of performance share rights that will vest prior to the Proposed Distribution. The vesting of performance share rights will be determined at the discretion of the Company's Remuneration Committee, as is customary each year.

## REMAINING OPERATIONS: SETUP FOR SUCCESS



### Technology

*Tier 1 global platform<sup>1</sup>*

- Pre-game and in-play sport
- OddsFactory formerly Banach, market leading in-play, multi/parlay and cash out
- Racing: Thoroughbred, Harness, Greyhound
- Proven in highly regulated markets
- Global payments and KYC
- iGaming platform and games supported by IGT, Light & Wonder & Evolution
- Best of breed global sports promotions platform
- Scalable infrastructure that can handle increased betting volumes



### Australia Trading

*FY23 Net Win – A\$211.7m*

- Tier 1 sports betting & racing product
- Growing and strong brand recognition
- Clear path to secure top 4 position
- FY23, is the 4th consecutive year of positive EBITDA
- Well positioned to manage evolving regulatory environment



### Canada Trading

*FY23 Net Win – A\$18.3m*

- Tier 1 sports betting product
- Growing position in a market with attractive unit economics
- In-play sports betting and iGaming
- Regulated TAM expansion on the horizon



## REMAINING GROUP OPERATIONS – AUSTRALIA AND CANADA: FY24 OUTLOOK

- **Well capitalised** and a **highly experienced global gaming team**
- **The Company currently expects FY24 total Net Win<sup>1</sup>** to be 10%-20% higher than FY23
- **The Company currently expects FY24 total marketing expense<sup>2</sup>** to be 15% - 20% lower than FY23, and also expects total 12 month rolling Cash Actives<sup>3</sup> at 30 June 2024 to be higher than those at 30 June 2023
- **Global headcount following the final close of US Business sale (c. March 2024) will be c. 275 FTE**, down from c. 650 FTE as at 30 June 2023
- As a result of the US Business sale, the Company **expects a significant cost reduction** in technology segment expenses, corporate segment expenses and capitalised technology staff costs in FY24
- As a result of the US Business sale, the Company **expects EBITDA to be at or close to breakeven from April 2024**
- The Company currently expects positive EBITDA of the Australian Trading Business **to significantly offset** EBITDA losses of the Canadian Trading Business in FY24

**THE COMPANY ANTICIPATES DELIVERING POSITIVE GROUP EBITDA IN FY25**

The background features a dark, almost black, field with several diagonal lines and a red-to-black gradient on the left side. A prominent feature is a rectangular area filled with a grid of small red dots, which fades into the dark background. The text 'Q&A' is positioned on the right side of the image.

**Q&A**

The background features a dark, almost black, field with several diagonal lines and shapes. On the left side, there is a prominent red shape with a dotted pattern, resembling a stylized arrow or a geometric form. A thin, bright red line runs diagonally across the middle of the image. The overall aesthetic is modern and technical.

# Appendix 1

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## RELATED PARTY TRANSACTIONS AS PER ASX LISTING RULE 4.7C.3 – \$1.34m

- Payments of \$0.68m for Salaries and Wages (inclusive of Superannuation and applicable taxes withheld) of Key Management Personnel and of Executive Directors and Non-Executive Directors Fees.
- Payments of \$0.66m to Arete Security Inc. d/va DruvStar the company's managed security provider. Non-Executive Director Manjit Gombra Singh is the founder, owner and director of DruvStar. Mr Singh receives no compensation from DruvStar and transacts on an arms-length basis with the company.