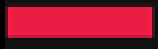
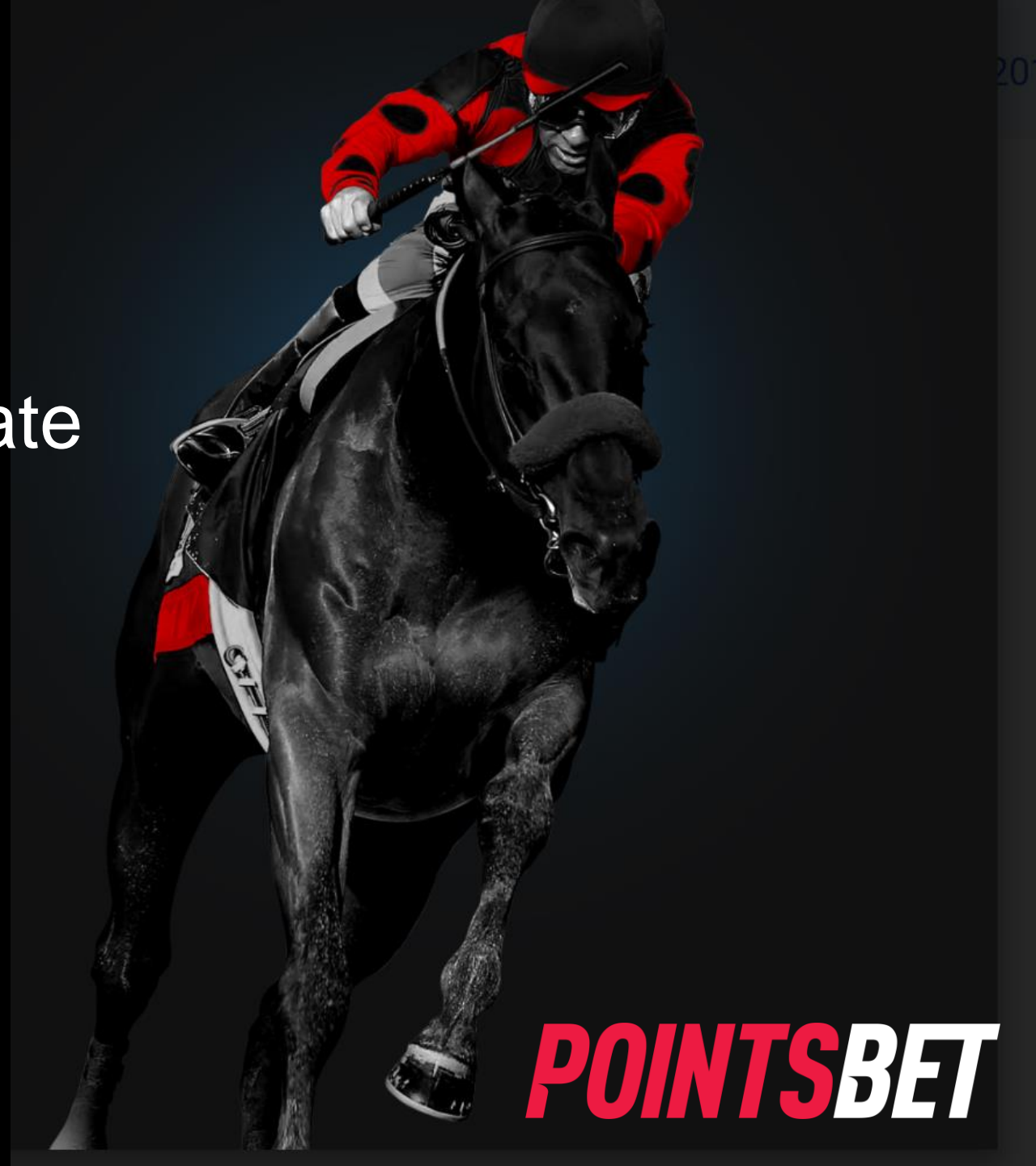


# PointsBet

## Q3 FY2020 Business Update



April 2020



**POINTSBET**

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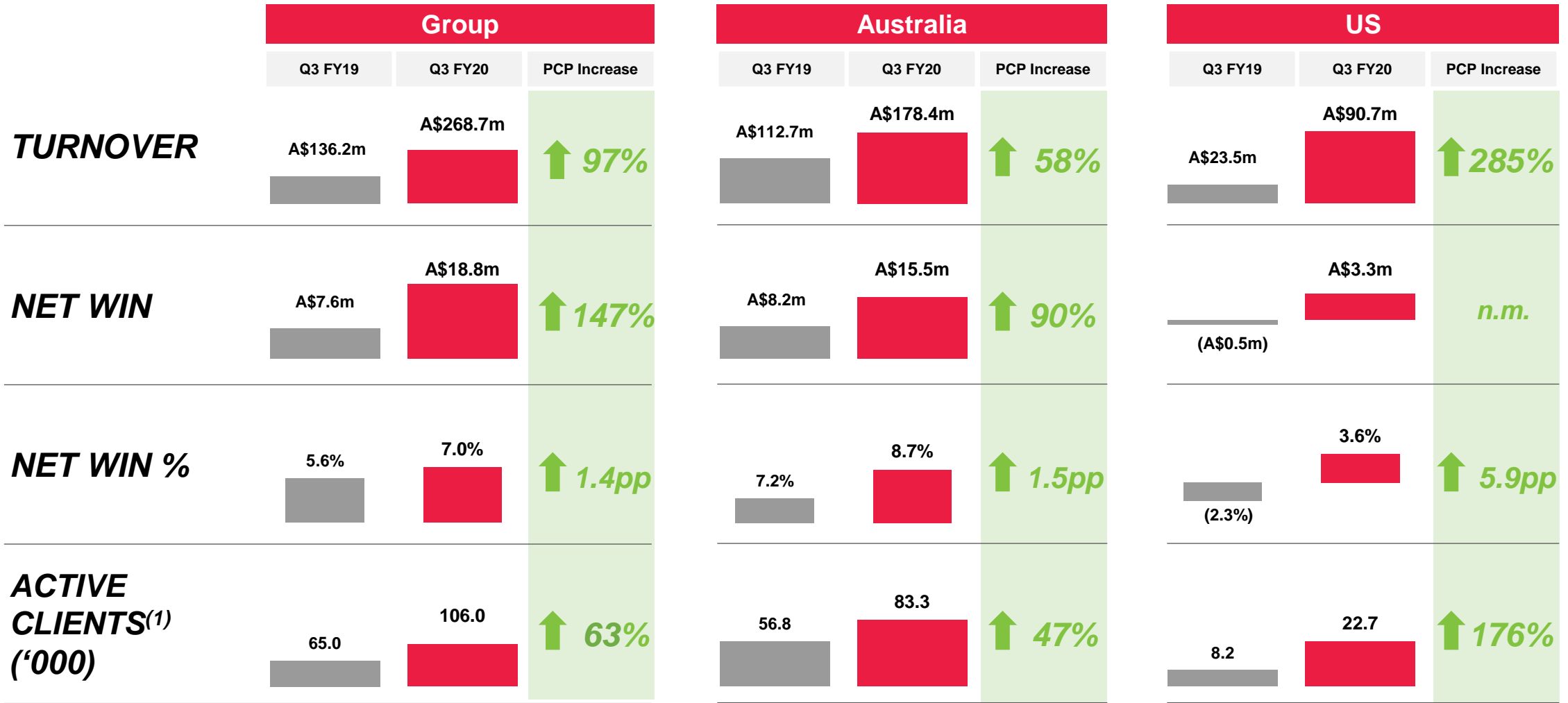
# Quarterly Highlights

A man with a beard and short hair is shown from the chest up, holding a large stack of cash in his hands and a basketball in front of him. He is wearing a dark sweater. The background is a dark, textured wall.

- ✓ First positive EBITDA quarter for Australian Trading business
- ✓ Record quarterly Net Win achieved in Australia of A\$15.5m
- ✓ Successive monthly Net Win records in February and March in Australia
- ✓ US achieved Net Win of A\$3.3m at a Net Win Margin of 3.6%
- ✓ Launched operations in Indiana, our 3rd online sportsbook in the US
- ✓ Market access secured in Kansas and Michigan
- ✓ Appointed Official Betting Partner of LaLiga North America
- ✓ Hugely successful timing & execution of Tier 1 Channel 7 Australian horse racing partnership
- ✓ Continued development of our product & technology platform
- ✓ Release of significantly improved app in New Jersey
- ✓ Achieved 5.6% New Jersey market share<sup>(1)</sup>

Notes: (1) Based on total New Jersey sports betting handle for the quarter, as reported by the New Jersey Division of Gaming Enforcement ("NJDE")

# Strong Growth Across Key KPIs



Notes: (1) Clients that have placed a bet in the 12 months preceding the relevant quarter end date

# PointsBet Australia

- ✓ Record Net Win quarter in Australia
- ✓ Successive monthly Net Win records in February and March in Australia
- ✓ March saw clients transferring to higher margin products, particularly thoroughbred, harness and greyhound racing as a result of suspension of AFL and NRL
- ✓ Continued higher quarter-on-quarter Net Win Margin partially due to favorable results
- ✓ Hugely successful timing & execution of Tier 1 Channel 7 Australian horse racing partnership
- ✓ Continued investment in product and technology platform including same game multi, which is expected to go live in the June quarter

## PointsBet Australia – Quarterly & PCP performance (A\$m)

Key metrics	Q3 FY20	Q3 FY19	Increase on PCP
Turnover	178.4	112.7	58.3%
Gross Win	21.2	12.9	63.6%
Gross Win Margin	11.9%	11.5%	+0.4pp
Net Win	15.5	8.2	89.8%
Net Win Margin	8.7%	7.2%	+1.5pp

## PointsBet Australia – YTD performance (A\$m)

Key metrics	Q1 FY20	Q2 FY20	Q3 FY20	YTD FY20	YTD FY19	Increase on PCP
Turnover	164.4	184.8	178.4	527.6	322.2	63.7%
Gross Win	17.3	20.7	21.2	59.3	34.7	70.6%
Gross Win Margin	10.6%	11.2%	11.9%	11.2%	10.8%	+0.5pp
Net Win	12.6	14.6	15.5	42.7	21.4	99.3%
Net Win Margin	7.7%	7.9%	8.7%	8.1%	6.7%	+1.4pp

# PointsBet US

- ✓ Strong Net Win achieved across the quarter in New Jersey Digital given most US sports were paused from 12 March, driven by the improving Net Win margin
- ✓ Strong quarterly run rate of New Jersey Digital Turnover up to 12 March
- ✓ First full quarter of Iowa Digital following launch in November
- ✓ Launched our Digital sportsbook in Indiana, our 3<sup>rd</sup> Digital sportsbook in the US
- ✓ Secured market access in Michigan and Kansas
- ✓ Continued development of our product & technology platform including iGaming
- ✓ Achieved 5.6% New Jersey market share<sup>(3)</sup>

PointsBet United States – Q3 FY20 Quarterly KPIs (A\$m) <sup>(1)</sup>						
Key metrics	New Jersey Digital	Iowa <sup>(2)</sup>	Indiana Digital	US Total	Q3 FY19	Increase on PCP
Turnover	85.0	5.4	0.4	<b>90.7</b>	23.5	<b>285.4%</b>
Gross Win	5.5	0.1	0.0	<b>5.6</b>	0.9	<b>497.1%</b>
Gross Win Margin	6.5%	1.5%	6.4%	<b>6.2%</b>	4.0%	<b>+2.2pp</b>
Net Win	3.3	0.0	(0.1)	<b>3.3</b>	(0.5)	<b>n.a.</b>
Net Win Margin	3.9%	0.7%	(17%)	<b>3.6%</b>	(2.3%)	<b>+5.9pp</b>

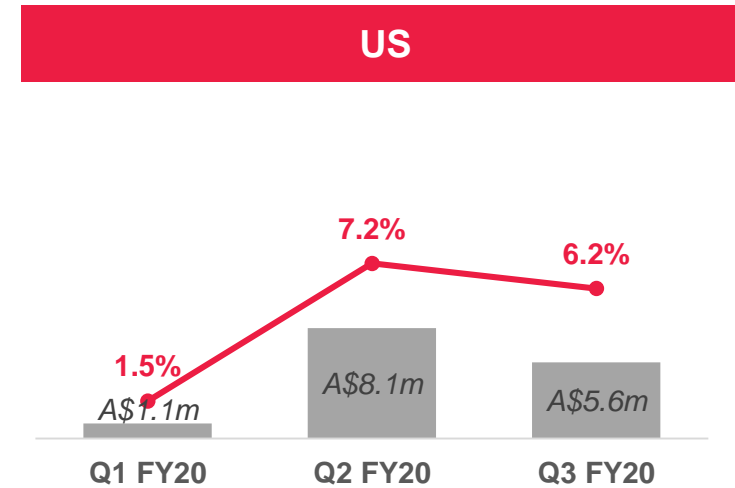
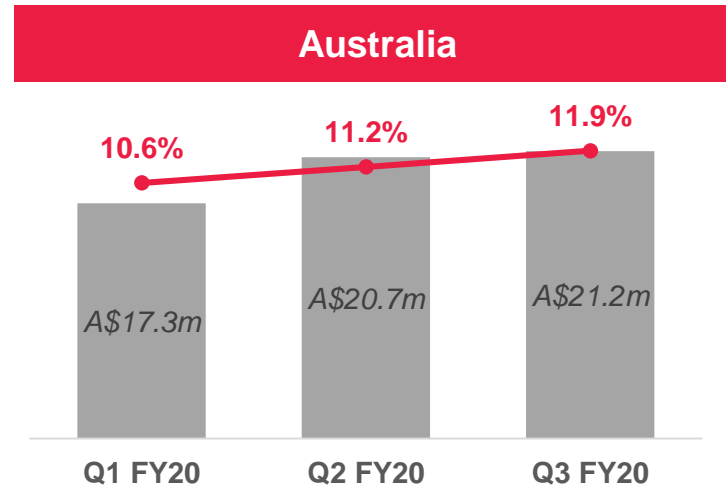
PointsBet United States – YTD performance (A\$m) <sup>(1)</sup>				
Key metrics	Q1 FY20	Q2 FY20	Q3 FY20	YTD FY20
Turnover	71.4	112.5	90.7	274.6
Gross Win	1.1	8.1	5.6	14.8
Gross Win Margin	1.5%	7.2%	6.2%	5.4%
Net Win	(0.8)	3.4	3.3	5.9
Net Win Margin	(1.1%)	3.0%	3.6%	2.1%

Notes: (1) The AUD:USD foreign exchange rate used for the figures in the table was the average rate for the specified period; (2) Iowa includes both Online and Retail; (3) Based on total New Jersey sports betting handle for the quarter, as reported by the New Jersey Division of Gaming Enforcement (“NJUDGE”)

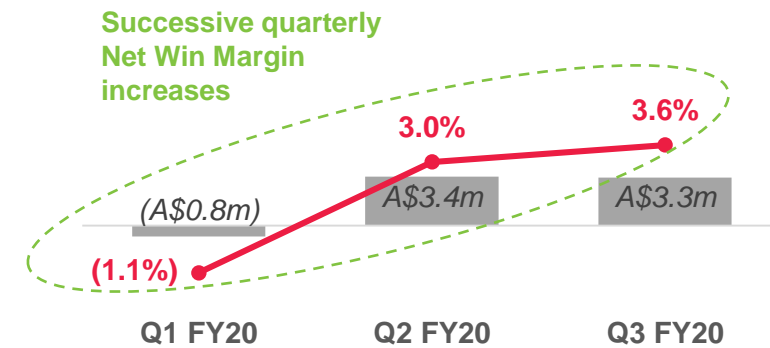
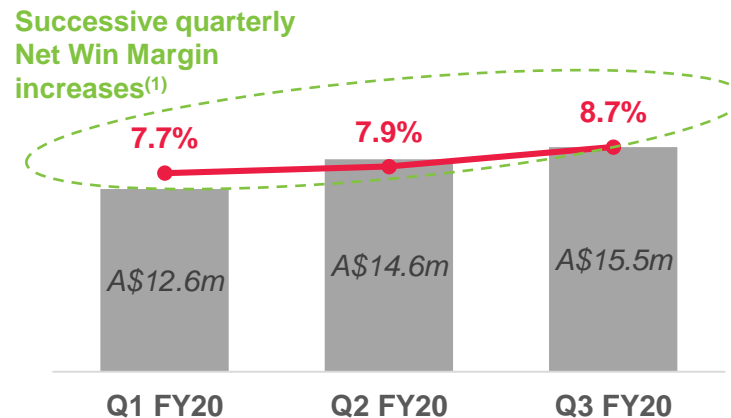


# Strong FY2020 Momentum in Australia and US

**Gross Win &  
Gross Win %**



**Net Win &  
Net Win %**



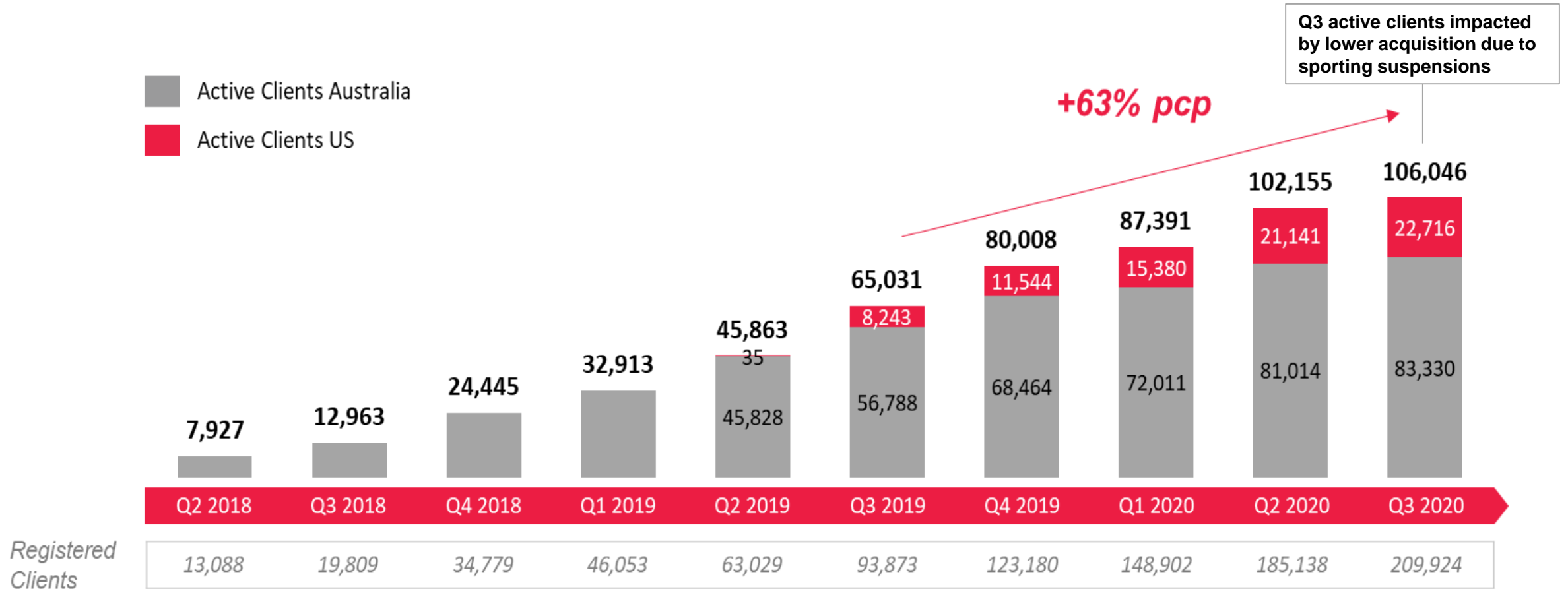
Notes: (1) Margins positively impacted by favorable results during the quarter, as well as clients transferring to higher margin products, particularly thoroughbred, harness and greyhound racing as a result of suspension of AFL and NRL

# COVID-19 Update & Response Plan

- The Company notes that as a result of COVID-19, all major sporting codes in the US and Australia have temporarily suspended throughout March
- Australian racing (thoroughbred, harness and greyhound), which historically represents the majority of the Australian business revenue has continued relatively unimpacted
- PointsBet's priority is the health and safety of all its employees, customers and stakeholders. We support all measures being taken to ensure the safety of the community
- PointsBet is well placed, with a clear response plan to manage through the challenges of COVID-19
- The Company's major expenses, excluding employee costs, are cost of sales and marketing expenses
  - Cost of sales are highly correlated to betting turnover, revenue and deposit/withdrawal volumes, and therefore will reduce proportionally with the expected fall in these metrics in the US
  - The vast majority of global marketing expenses are variable in nature. The Company has significantly reduced this expense for the quarter to 30 June 2020
  - 20 US staff furloughed in April 2020
- As at 31 March 2020, PointsBet had A\$149.4 million of corporate cash, the majority of which is held in USD. The Company has no borrowings



# Registered and Active Clients<sup>(1)</sup>



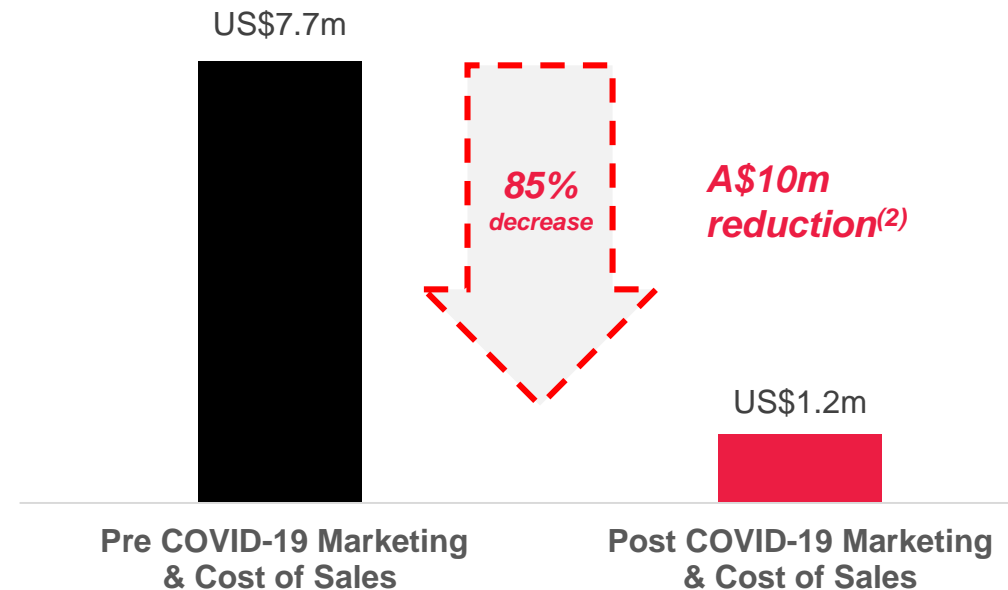
Notes: (1) Active Clients are clients that have placed a bet in the 12 months preceding the relevant quarter end date

# Flexible business model

- We have a clear response plan to manage the challenges of COVID-19
  - Planned and prepared for ongoing suspension of key US sports
  - Anticipated Q4 cost of sales expense reduction as a result of falling betting turnover and revenue
  - Anticipated Q4 marketing expense reduction
  - Promotion and proactive identification of other available sports and betting markets for US customers
  - Continued focus and development of our product and technology (including iGaming vertical)

***Well placed and prepared for “re-launch” of global sporting operations***

## Q4 US Marketing and Cost of Sales Expense Reduction<sup>(1)</sup>



Notes: (1) Reduction based on the Company's current expectations as at the date of this document. The flexible expense model allows the Company to re-engage marketing should key sporting leagues return sooner than anticipated; (2) Assumes an AUD:USD foreign exchange rate of approximately 0.65

# Quarterly Cash Flows

PointsBet Australia – PCP performance (A\$m)		
	Q3 FY20	FY20 YTD
Receipts from Customers	18.7	48.5
Cost of Sales	(7.6)	(22.0)
Sales and Marketing	(7.0)	(25.4)
Staff Costs	(8.4)	(22.6)
Administration and Corporate Costs	(3.9)	(10.8)
Change in Player Cash Accounts	(2.6)	(1.7)
Other operating cash flow	0.2	0.5
<b>Net cash from / (used in) operating activities</b>	<b>(10.5)</b>	<b>(33.5)</b>
Capex	(4.8)	(17.5)
<b>Net cash from / (used in) investing activities</b>	<b>(4.8)</b>	<b>(17.5)</b>
Proceeds from issues of shares	-	122.1
Proceeds from exercise of share options	0.0	0.2
Transaction costs related to issues of shares, convertible notes or options	-	(3.6)
Other financing cash flow	(0.3)	(0.7)
<b>Net cash from / (used in) financing activities</b>	<b>(0.2)</b>	<b>118.1</b>
<b>Cash and cash equivalents at beginning of Quarter / Year to Date</b>	<b>157.5</b>	<b>75.9</b>
<b>Net cash flow</b>	<b>(15.5)</b>	<b>67.1</b>
<b>Effect of movement in exchange rates on cash held</b>	<b>14.7</b>	<b>13.6</b>
<b>Cash and cash equivalents at end of quarter<sup>(1)</sup></b>	<b>156.7</b>	<b>156.7</b>

- Corporate cash at end of quarter was \$149.4m

(1) Includes Player Cash Accounts of A\$7,280,717

# Remaining Focused on our Vision

## PointsBet USA



- ✓ Roll out new operations in Illinois, Colorado & Michigan
- ✓ Continue to expand market access across the US
- ✓ Deliver client and revenue growth
- ✓ Execute on US media strategy
- ✓ Develop product and technology including iGaming product

## PointsBet Australia



- ✓ Continuing to deliver client and revenue growth in an established and competitive sports betting market
- ✓ Develop product and technology including same game multi
- ✓ Australian Trading business achieved a positive EBITDA in Q3 FY2020
- ✓ Looking to capitalise on the forthcoming industry consolidation (folding of BetEasy brand into SportsBet) with targeted increased marketing spend in H1 FY21