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PointsBet Announces Capital Raising to Strengthen its Balance Sheet for Long Term Success

Melbourne, Australia, 29 July 2021 – PointsBet Holdings Limited (ASX:PBH) (“PointsBet” or the “Company”) today announces an underwritten capital raising of approximately A\$400 million comprising:

- a fully underwritten 1 for 9 accelerated pro rata renounceable entitlement offer, with retail rights trading to raise approximately A\$184.9 million at A\$8.00 per share (the “Entitlement Offer Price”) (the “Entitlement Offer”); and
- a fully underwritten institutional placement to raise A\$215.1 million (“Placement”)¹. The Placement price will be at a fixed price of A\$10.00 per share (the “Placement Price”),

(together, the “Capital Raising”).

Purpose of the Capital Raising

Consistent with its objective of consolidating and expanding upon its strong position in the rapidly expanding US sports betting and iGaming market, PointsBet is undertaking this Capital Raising to provide funding to support:

- North American marketing and client acquisition;
- Technology and product development (sports betting and iGaming);
- US market access and government licensing fees;
- Continued investment in talent and scale of operations; and
- Balance sheet flexibility.

PointsBet’s Managing Director and Group CEO, Sam Swanell, said: *“Since inception, PointsBet’s Board and management have been working to establish and consolidate the key building blocks that have put us in the strong position we are today to pursue the expansion of the North American sports betting and iGaming opportunity.*

“Today, in addition to our profitable Australian business, we have live operations in 6 US States with iGaming live in two of these states. By December 2022 we plan to be live in at least 19 North American states or provinces. The North American sports betting and iGaming market could be a US\$54bn revenue opportunity by 2033 and our strategy is to continue to invest to become a top 5 player in this market, targeting a 10% market share in all key North American jurisdictions. The Capital Raising will position PointsBet to execute this strategy.”

¹ The Company reserves the right to increase the amount raised under the Placement depending on demand.

Details of the Capital Raising

Placement

The Placement will raise approximately A\$215.1 million. The Placement is being undertaken utilising the Company's existing Placement capacity under Listing Rule 7.1.

The Placement will be conducted at the fixed price of A\$10.00 per New Share, representing a discount of 11.4% to the A\$11.29 closing price of PointsBet on ASX on Wednesday, 28 July 2021.

Allocations under the Placement will be determined on behalf of PointsBet by an independent sub-committee of its Board in consultation with the Joint Lead Managers and financial adviser.

It is intended that eligible shareholders, who bid for up to their 'pro-rata' share of new shares under the Placement, at the final price, will be allocated their full bid, on a best endeavours basis. For the remaining shares under the Placement, the Company will seek to prioritise allocations to existing shareholders and then introduce new shareholders, in each case based on factors including likelihood of long-term support, the strategic alignment of the investor, support to date and the size and timeliness of bids into the book.

Entitlement Offer

Eligible shareholders under the Entitlement Offer will be able to subscribe for 1 New Share for every 9 shares held ("**Entitlements**") at 7:00pm (AEST) on Wednesday, 4 August 2021 ("**Record Date**") at the Entitlement Offer Price.

The Entitlement Offer Price represents a 26.5% discount to the theoretical ex-entitlement price (TERP - including New Shares issued via the Placement) of A\$10.88² based on the A\$11.29 closing price of PointsBet on ASX on Wednesday, 28 July 2021.

The Entitlement Offer comprises:

- an **Institutional Entitlement Offer**: Eligible institutional shareholders will be entitled to participate in the Institutional Entitlement Offer which will take place from Friday, 30 July 2021 to Saturday, 31 July 2021. Eligible institutional shareholders can choose to take up all, part or none of their Entitlements. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild that will open on Monday, 2 August 2021 and any

² TERP is a theoretical price at which PointsBet shares trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which PointsBet shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to PointsBet's closing price of \$11.29 on Wednesday, 28 July 2021.

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proceeds in excess of the Entitlement Offer Price will be paid to the relevant PointsBet shareholders (net of any withholding tax and expenses).

- a **Retail Entitlement Offer**: Eligible retail shareholders in Australia and New Zealand will be entitled to participate in the Retail Entitlement Offer at the same price as the Institutional Entitlement Offer (A\$8.00 per New Share). Eligible retail shareholders have a number of options under the Retail Entitlement Offer:
 - elect to take up all or part of their Entitlements by the Retail Entitlement Offer closing date of 5:00pm (AEST) on Friday, 20 August 2021;
 - sell their Entitlements, including on ASX, between Wednesday, 4 August 2021 and Friday, 13 August 2021; or
 - do nothing and let their Entitlements be offered for sale through a retail shortfall bookbuild process on Wednesday, 25 August 2021 managed by the Joint Lead Managers with any proceeds in excess of the Entitlement Offer Price paid to the relevant PointsBet shareholders (net of any withholding tax and expenses).

Entitlements that would otherwise be offered to ineligible retail shareholders will be sold through a retail shortfall bookbuild on Wednesday, 25 August 2021 and any proceeds in excess of the Entitlement Offer Price will be paid to the relevant PointsBet shareholders (net of any withholding tax and expenses).

PointsBet Chairman, Brett Paton, has indicated that he will be participating in the Entitlement Offer for approximately A\$6.0 million of his eligible Entitlements.

Co-founder Sell-down

PointsBet co-founders, Andrew and Nicholas Fahey and Sam Swanell (the “**Co-founders**”) have agreed to sell 2 million (Nick and Andrew Fahey) and 0.9 million (Sam Swanell) shares, representing 15% of their respective interests in PointsBet (the “**Co-founder Sell-down**”) at the Placement Price. The Co-founder Sell-down represents approximately 1.4% of total shares outstanding in PointsBet prior to the Capital Raising.

The Company’s Chairman, Brett Paton has agreed to purchase 1.45 million of the shares under the Co-founder Sell-down at the Placement Price of A\$10.00 per share. The remainder of the Co-founder Sell-down shares will be placed at the Placement Price with an institutional investor, independent of the Capital Raising. The Co-founders, independent of the Company, have sought and paid for their own financial and legal advice with regards to the Co-founder Sell-down.

Mr Swanell has confirmed he does not intend to sell any further shares for a period of 12 months.

Advisors

Flagstaff Partners is Financial Adviser to the Company.

Baker McKenzie is Legal Adviser to the Company.

Indicative timetable

Event	Date
Trading halt and announcement of Placement and Entitlement Offer	Thursday, 29 July 2021
Placement bookbuild opens	Thursday, 29 July 2021
Placement bookbuild closes	Friday, 30 July 2021
Announcement of results of the Placement	Friday, 30 July 2021
Institutional Entitlement Offer opens	Friday, 30 July 2021
Institutional Entitlement Offer closes	Saturday, 31 July 2021
Institutional Entitlement Offer shortfall bookbuild opens	Monday, 2 August 2021
Institutional Entitlement Offer shortfall bookbuild closes	Tuesday, 3 August 2021
Trading halt lifted and retail rights commence trading on ASX (on a deferred settlement basis)	Wednesday, 4 August 2021
Entitlement Offer record date (7.00pm AEST)	Wednesday, 4 August 2021
Settlement of New Shares issued under the Placement	Thursday, 5 August 2021
Allotment and normal trading of New Shares issued under the Placement	Friday, 6 August 2021
Retail Entitlement Offer opens and Retail Offer Booklet made available	Friday, 6 August 2021
Settlement of New Shares issued under the Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Wednesday, 11 August 2021
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Thursday, 12 August 2021
Close of retail rights trading on ASX	Friday, 13 August 2021
Retail Entitlement Offer closes (5.00pm AEST)	Friday, 20 August 2021
Announcement of results of the Retail Entitlement Offer	Wednesday, 25 August 2021
Retail Entitlement Offer shortfall bookbuild	Wednesday, 25 August 2021
Settlement of New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Monday, 30 August 2021
Allotment of New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Tuesday, 31 August 2021
Normal trading of New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Wednesday, 1 September 2021
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Wednesday, 1 September 2021

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FOR FURTHER INFORMATION

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ABOUT POINTSBET

PointsBet is a corporate bookmaker with operations in Australia and the United States. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products. PointsBet's product offering includes Fixed Odds Sports, Fixed Odds Racing, PointsBetting and iGaming.

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The release, publication or distribution of this announcement (including in electronic copy) outside Australia may be restricted by law. If you come into possession of this announcement, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Forward-Looking Statements

This announcement contains forward-looking statements, including statements about the Company's expectations, beliefs, intentions or strategies regarding the future. Forward-looking statements may be identified by the use of words like 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions.

The forward-looking statements reflect views and assumptions with respect to future events



as of the date of this announcement. However, they are not guarantees of future performance. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company and its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. There can be no assurance that actual outcomes will not differ materially from those expressed in the forward-looking statements in this announcement. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. Readers are cautioned not to place undue reliance on the forward looking statements, which are based only on information currently available to the Company. Except as required by applicable laws or regulations, the Company does not undertake to publicly update or revise the forward-looking statements or this announcement, whether as a result of new information or future events or circumstances.

General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on slides 2 to 6 of the Investor Presentation with any necessary contextual changes.