



*POINTS*BET

Q3 FY23 QUARTERLY ACTIVITIES REPORT
Investor Presentation April 2023

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AGENDA

Group Trading Review

North American Business Review

Australian Business Review

Summary of Quarterly Cashflows

Status of Discussions Regarding Potential Strategic Transactions



Q3 FY23 GROUP TRADING METRICS

	All figures in A\$	Q3 FY22	Q3 FY23	PCP	QoQ
SPORTS BETTING	Turnover / Handle	\$1398.0m	\$1449.9m	+4%	(30%)
	Gross Win Margin %	8.9%	9.0%	+0.1pp	+1.6pp
	Gross Win	\$124.9m	\$130.3m	+4%	(14%)
	Net Win Margin %	5.1%	6.3%	+1.2pp	+2.0pp
	Net Win	\$71.4m	\$91.2m	+28%	+3%
	iGAMING	Net Win	\$5.5m	\$15.4m	+181%
TOTAL	Total Net Win	\$76.9m	\$106.6m	+39%	+3%

1. Average AUD/USD FX rate was 0.6851 for Q3FY23 and 0.7239 for Q3FY22, Average AUD / CAD rate was 0.9249 for Q3FY23. Average AUD/USD FX rate was 0.6572 for Q2FY23, Average AUD/CAD rate was 0.8922 for Q2FY23

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

Q3 FY23 GROUP KEY HIGHLIGHTS

- Group revenue up 39% on the PCP, anchored by United States delivering 103% Net Win growth
- Rolling 12-month Group Net Win to 31 March 2023 is \$374.6m
- 555,125 Global Cash Active Clients² for the 12 months to 31 March 2023
- iGaming represents 28% of North American Net Win
- Live betting in US represented 59% of total Q3 US turnover/handle, in line with PCP, well above market average

FY23 FINANCIAL OUTLOOK¹ AND COST REVIEW

- As reported at our H1 FY23 results announcement, the Company currently continues to expect H2 FY23 Normalised Group EBITDA loss to be between \$(77.0)m and \$(82.0)m
- As reported at our H1 FY23 results announcement, the Company currently continues to expect H2 FY23 net cash outflow, excluding movement in player cash, to be approximately 30% lower than H1 FY23
- We recently completed a cost and efficiency review of our North American operational workforce. This resulted in the streamlining of operations and resulted in a 12% reduction of headcount. This reduction is expected to result in annualized cost savings of approximately A\$6mn

NORTH AMERICA TRADING METRICS

US¹ Q3 FY23



	All figures in A\$				
	Q3FY22	Q3 FY23	PCP	QoQ	
SPORTS BETTING	Turnover / Handle	\$818.6m	\$819.2m	+0%	(22%)
	Gross Win Margin %	5.6%	6.8%	+1.2pp	+1.6pp
	Gross Win	\$46.1m	\$56.0m	+21%	+2%
	Net Win Margin %	2.3%	4.6%	+2.3pp	+1.9pp
	Net Win	\$19.1m	\$38.0m	+99%	+34%
	iGAMING	Net Win	\$5.5m	\$11.8m	+115%
TOTAL	Total Net Win	\$24.6m	\$49.8m	+103%	+23%

CANADA¹ Q3 FY23



	All figures in A\$		
	Q3 FY23	QoQ	
SPORTS BETTING	Turnover / Handle	\$50.9m	(37%)
	Gross Win Margin %	7.8%	+3.5pp
	Gross Win	\$4.0m	+14%
	Net Win Margin %	4.8%	+2.2pp
	Net Win	\$2.4m	+17%
	iGAMING	Net Win	\$3.6m
TOTAL	Total Net Win	\$6.1m	+21%

1. Average AUD/USD FX rate was 0.6851 for Q3FY23 and 0.7239 for Q3FY22, Average AUD / CAD rate was 0.9249 for Q3FY23. Average AUD/USD FX rate was 0.6572 for Q2FY23, Average AUD/CAD rate was 0.8922 for Q2FY23

NORTH AMERICA HIGHLIGHTS

Q3 REVENUE GROWTH

- Consol. Net Win +128% vs PCP
- Casino Net Win +181% vs PCP
- Sports Net Win +112% vs PCP
- OSB Net Margin 4.7% in Q3 FY23

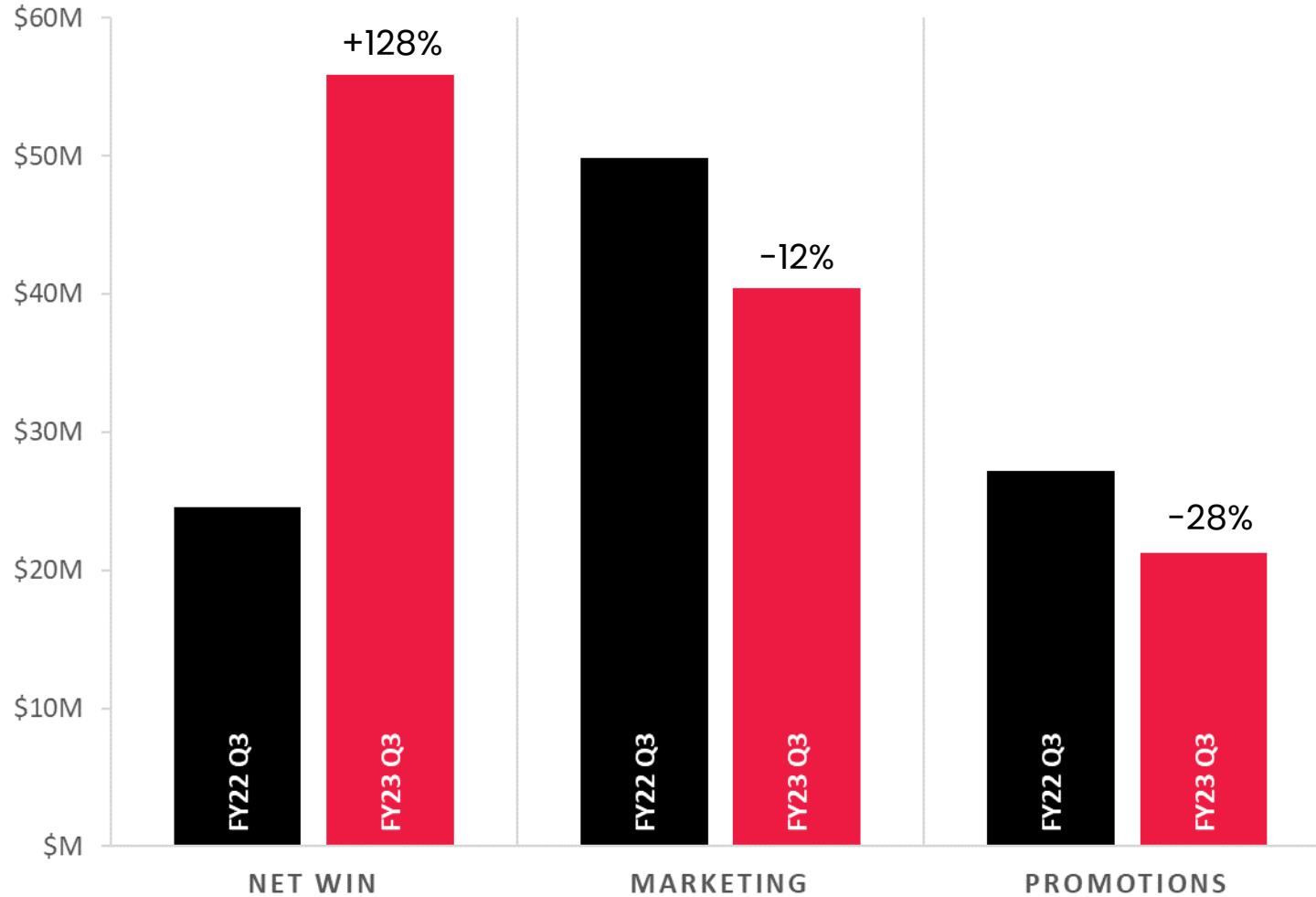
TARGETED MARKETING AND PROMOTIONS

- Marketing (12%) lower vs PCP¹
- Promotions (28%) lower vs PCP
- 12m Rolling Actives +27% vs PCP to 317,071

OHIO LAUNCH EXPANDS TAM

- Ohio launch January 1st
- Live in 14 US states
- Serving 35% of US adult pop.

GROWING REVENUE WHILE SIMULTANEOUSLY REDUCING EXPENSES
NORTH AMERICA'S BUSINESS MODEL IMPROVED vs PCP

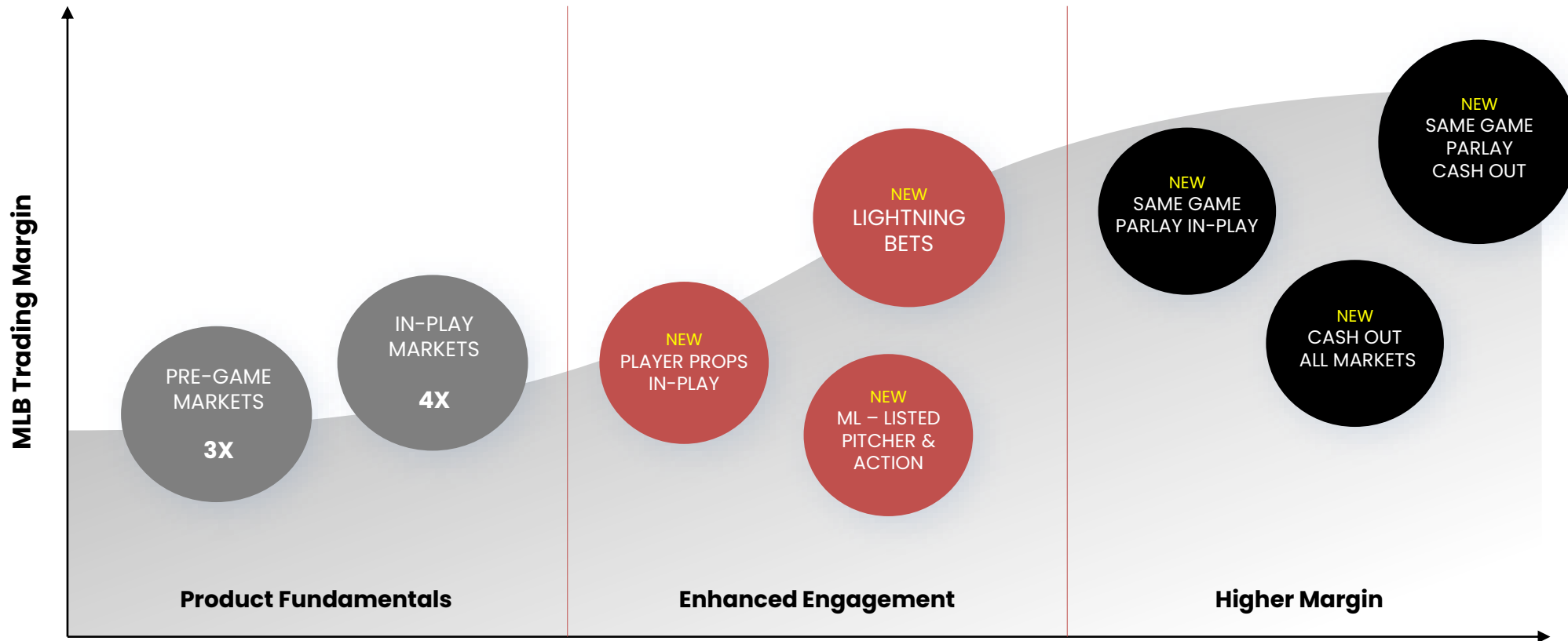


MORE EFFICIENT MONETIZATION OF CLIENTS

NORTH AMERICA OSB ARPU +79% vs PCP

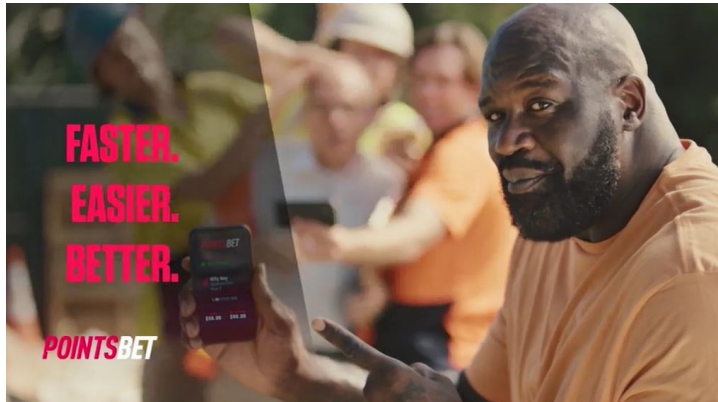


MARKET-LEADING MLB PRODUCT OFFERING VIA ODDSFACORY EXPANDED MENU FOR THE 2023 SEASON COMPARED TO 2022



HIGHLIGHTS: AUSTRALIA Q3 FY23

SPORTS BETTING	All figures in A\$	Q3 FY22	Q3 FY23	PCP	QoQ
	Turnover / Handle	\$579.4m	\$579.8m	+0%	(38%)
	Gross Win Margin %	13.6%	12.1%	(1.5pp)	+2.2pp
	Gross Win	\$78.8m	\$70.3m	(11%)	(25%)
	Net Win Margin %	9.0%	8.8%	(0.3pp)	+2.6pp
	Net Win	\$52.3m	\$50.7m	(3%)	(12%)



- Turnover growth in sport offset by softness in racing (in line with market)
- Shift towards sports turnover impacts overall Gross Win Margin trends vs PCP
- Racing margins improved vs PCP and QoQ.
- Continued focus on promotions efficiency. The rate of promotions as a percentage of Gross Win improved to 27.8% vs 33.6% in the PCP – enabled by tokenisation improvements
- Growth in Net Win contribution from mass market clients of 15% for this segment vs PCP leads to improved long-term sustainability
- Q3 FY23 marketing expense² was \$8.3m, down 59% QoQ and H2 FY23 marketing expense is expected to be c. \$15m
- Cash Active clients were +2% vs PCP at 238,054¹

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.

SUMMARY OF QUARTERLY CASH FLOWS

All amounts in A\$m ¹	Q3FY23	Q2FY23
Receipts from customers (inclusive of GST)	108.9	105.8
Cost of sales	(55.5)	(61.3)
Sales and marketing ³	(69.0)	(67.5)
Staff costs	(26.8)	(25.7)
Administration, corporate costs and GST paid on Net Win	(19.7)	(18.9)
Other operating cash flows	2.8	2.9
Net cash (outflow) from operating activities excluding movement in player cash	(59.3)	(64.7)
Change in player cash accounts	(17.4)	6.0
Net cash (outflow) from operating activities	(76.7)	(58.7)
Purchase of property & equipment	(0.6)	(0.2)
Payments for capitalised software development	(10.1)	(10.3)
Other non-current assets	0.2	(0.1)
Payments for licence intangibles	(0.5)	(5.4)
Net cash (outflow) from investing activities	(11.0)	(16.0)
Proceeds from exercise of share options	0.2	-
Other financing cash flow	(1.4)	(1.1)
Net cash (outflow) from financing activities	(1.0)	(1.1)
Cash and cash equivalents at beginning of the period	387.2	474.9
Net cash flow excluding movement in player cash	(71.3)	(81.7)
Net cash flow	(88.7)	(75.7)
Effect of movement in exchange rates on cash held	2.9	(12.0)
Cash and cash equivalents at end of the period²	301.4	387.2
Corporate cash at end of the period	251.7	320.7

1. End of period AUD/USD FX rate 0.6614, AUD/CAD FX rate 0.9121, AUD/EUR FX rate 0.6259;

2. Cash and cash equivalents at end of the period includes \$49.7 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. Based on expected trading performance for the duration of the financial year.

COMMENTARY

- At 31 March 2023, the group had \$251.7 million of Corporate Cash
- Total cash receipts from customers were \$108.9 million, including \$106.6 million from Sportsbook and iGaming. The balance of cash receipts from PointsBet's B2B operations and US Advance Deposit Wagering business
- Net operating outflows excluding movement in player cash accounts was \$59.3m, 8% lower than Q2 FY23.
- Net investing outflows were \$11.0m, 31% lower than Q2 FY23
- As reported at our H1 FY23 results, we continue to currently expect H2 FY23 net cash outflow, excluding movement in player cash to be circa. 30% lower than 1H FY23⁴

STATUS OF DISCUSSIONS REGARDING POTENTIAL STRATEGIC TRANSACTIONS

- Consistent with commentary previously provided to our investors and the market more generally, PointsBet continues to engage in discussions regarding strategic transactions that offer the potential to add value for our shareholders.
- The company is currently in discussion with multiple parties in respect of potential transactions that would involve part or all of our North American business. Certain negotiations are well advanced.
- In response to media speculation on 27 December 2022, PointsBet advised that it was in discussions regarding a potential transaction involving the sale of its Australian business.
- PointsBet has terminated those particular discussions but remains in discussion with other third parties who have expressed an interest in acquiring our Australian business.
- There is no certainty that any of the discussions referred to above will lead to a binding transaction.
- PointsBet confirms that it remains in compliance with its disclosure obligations and will keep the market informed of relevant developments.

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Q&A



Appendix 1

RELATED PARTY TRANSACTIONS AS PER ASX LISTING RULE 4.7C.3 – \$1.5m

- Payments of \$0.8m 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 \$0.62m 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. Manjit receives no compensation from DruvStar and transacts on an arms-length basis with the company.
- Payments of \$0.06m to Recastled LLC the company's media and tech advisor. Non-Executive Director Kosha Gada is the CEO and Managing Director of Recastled and all transactions with the company are on an arms-length basis.