

POINTS BET WELCOMES NEW STRATEGIC INVESTOR

- PointsBet has welcomed a significant equity investment from SIG Sports Investments Corp. (SIG Sports), a member of the Susquehanna International Group of Companies (“SIG”). SIG is one of the largest proprietary financial trading firms in the world.
- The placement of 38,750,000 shares at A\$2.43 per share, raises A\$94.16 million and represents a 15% premium to the 5-day VWAP to 17 June 2022.
- SIG Sports will become PointsBet’s largest shareholder representing 12.8% of the Company’s issued capital following issuance.
- Further, PointsBet Europe Holdings Limited and Nellie Analytics Limited (“Nellie Analytics”), a member of SIG, have entered into an agreement to scope and develop the terms for Nellie Analytics to provide sports analytics and quantitative modelling services to complement PointsBet’s existing capabilities and accelerate the technology roadmap.

Melbourne, 20 June 2022 PointsBet Holdings Limited (ASX:PBH; OTCQX:PBTHF) (the “Company” or “PointsBet”) is pleased to advise that it has secured a A\$94.16 million investment from SIG Sports Investment Corp. (“SIG Sports”), a member of the Susquehanna International Group of Companies (“SIG”). Privately owned SIG is headquartered in Pennsylvania, USA and is one of the largest proprietary financial trading firms in the world, with additional business verticals encompassing derivatives market making, institutional brokerage, private equity, sports analytics and structured capital.

In accordance with the terms of a subscription agreement (the “Subscription Agreement”), PointsBet will issue 38,750,000 shares to SIG Sports at a price of A\$2.43 per share, representing a 15% premium compared to the 5-day volume weighted average price (“VWAP”) to 17 June 2022.

The new shares will be issued under the Company’s existing placement capacity and are expected to be quoted on or around 23 June 2022.

Upon issuance, this investment will represent 12.8% of the Company’s issued capital, with SIG Sports becoming the Company’s largest shareholder.

There is no change to the Company’s Board as a result of the equity placement, and notifications will be provided to the Company’s gaming regulators as required.

The Subscription Agreement imposes certain restrictions on PointsBet and SIG Sports as set out in **Appendix A**.

Commenting on the investment, SIG Co-founder and Managing Director Mr. Jeff Yass said: *“After several years of thoroughly evaluating the North American sports betting market for the right partner, SIG Sports is pleased to have made what we consider to be a long-term investment in PointsBet. We have been following their journey for some time and have developed a very positive view of the overall business operations and the capability of the PointsBet leadership team. We believe PointsBet has great potential for future growth and success in the North American sports betting market and SIG has both the analytics and capital to help realize that potential.”*

PointsBet Chairman Mr. Brett Paton said: *“We are delighted to pair up with a visionary investor which has committed ongoing support and is eminently qualified in analytical trading in financial markets, and now in sports. The cultural alignment between both organisations is strong, and this investment will assist with expanding and growing our North American operations as we seek to lead in in-play betting and enhancing the overall customer experience.”*

Acceleration of Sports Analytics and Quantitative Modelling Capabilities

The Company also announces that its wholly owned subsidiary, PointsBet Europe Holdings Limited, formerly Banach Technology Limited (“PBE”), has entered into an exploratory agreement with Nellie Analytics, a member of SIG, pursuant to which Nellie Analytics will provide agreed exclusive sports analytical services (the “Exploratory Services”) to PBE at nil cost for a period of nine (9) months (the “Exploratory Term”).

During the Exploratory Term, Nellie Analytics will provide PBE with sports analytics and quantitative modelling services while the parties continue to scope and develop the terms for additional services (the “Further Services”), with the intention of entering into a definitive long-term agreement (the “Definitive Agreement”). It is the intention of the parties that consideration under the Definitive Agreement will be provided to Nellie Analytics (or its nominee) via long dated options to subscribe for PointsBet Holdings Limited shares (on terms to be agreed), or at the discretion of PBE, in cash.

Nellie Analytics currently utilizes in sports analytics the same quantitative approach that drives SIG’s success in the financial markets, bringing together expertise in mathematics, gaming, and technology. Nellie Analytics, based in Dublin Ireland, with a team of approximately 30 technologists, has built cutting-edge quantitative models and technology to trade and make markets for professional sports using trading acumen, advanced statistical forecasting models, and quantitative research.

Building upon Nellie Analytics’ capabilities, the Exploratory Services and Further Services will complement and enhance the operational capabilities of PBE and accelerate the Company’s technology roadmap as it relates to highly sophisticated risk management and trading algorithms, with a focus on in-play in the North American market.

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Both parties have agreed that should such a Definitive Agreement be reached, Nellie Analytics would provide the Further Services exclusively to PBE for a minimum of three (3) years with the ability for PBE to terminate the Definitive Agreement without cause at the end of each year of the term.

Commenting on the arrangements PointsBet Group CEO Sam Swanell commented: *"Excellence in technology and trading is at the forefront of everything we do at PointsBet. In Nellie Analytics we have found another like-minded team of technologists, whose services we believe can accelerate our product led strategy and thus our right to win in the USA, Canada and Australia. In practical terms, the partnership will enable PointsBet to have more accurate lines and sharper risk management. This will flow through to our customers in the form of higher wagering limits, less price suspension, faster bet placements and improved value for bettors."*

David Pollard, SIG's Head of Strategic Planning stated: *"Since its inception, Nellie Analytics has sought to leverage SIG's experience in quantitative modelling in financial markets and apply those lessons to creating a world-class sports analytics business particularly focused on in-play. We are thrilled to explore the possibility of applying that hard-earned knowledge to a like-minded partner's platform. With the North American sports betting market still being in the very early innings of its development, we believe that PointsBet, with Nellie's potential assistance, is well-positioned to capitalize on the market's inevitable growth."*

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About PointsBet

PointsBet is a corporate bookmaker listed on the Australian Securities Exchange with operations in Australia, the United States, Canada and Ireland. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products, advance deposit wagering on racing (ADW) and iGaming.

About SIG

SIG is one of the largest privately held global financial institutions with more than 2,300 employees in offices throughout the world. SIG is a proprietary, securities trading firm committing exclusively its own capital to trade financial products around the world. SIG trades in almost every major asset class and corresponding derivative product in the world.

SIG founded Nellie Analytics in 2016 with a mission to develop the most predictive analytics and models in the world for various sporting and geopolitical events. Nellie Analytics leverages the capital and trading expertise of SIG to apply its advanced predictive capabilities to sports wagering with a focus on in-play.

The new shares offered and sold to SIG Sports have not been, and will not be, registered under the U.S. Securities Act of 1933 ("US Securities Act") or the securities laws of any state or other jurisdiction and are being offered and sold pursuant to an exemption from the registration requirements of the US Securities Act and applicable US state securities laws.

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

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EQUITY PROTECTIONS

Voluntary Lock-up

The Subscription Shares are subject to a voluntary lock-up period ending on the earlier of:

- (a) the date occurring 24 months after the Completion Date under the Subscription Agreement;
- (b) the date of termination of the Definitive Agreement as contemplated under Exploratory Services Agreement; and
- (c) if the Definitive Agreement is not executed, the date of the expiration or earlier termination of the Exploratory Services Agreement.

During the lock-up period, SIG Sports will not sell, assign, transfer or otherwise dispose of those Subscription Shares.

The voluntary lock-up is subject to customary exceptions, including to allow SIG Sports to accept into or transfer those Subscription Shares in connection with a takeover bid or scheme of arrangement.

The Subscription Agreement does not restrict SIG Sports from acquiring additional interests in PointsBet Holdings Limited (there is no standstill).

Notice of Change of Control Transaction

For a period of 60 months after the Completion Date under the Subscription Agreement, the Company has undertaken to inform SIG Sports if it receives any confidential approach with respect to a proposed bona fide third-party control transaction in respect of which the board, acting in good faith, considers it would, or would likely be prepared to, accept and recommend to shareholders. The Company's obligation to inform SIG Sports extends only to the fact of, and not the identity of the person or any terms of, such proposed control transaction.

Upon giving such notice, the Company must not enter into an agreement, arrangement or understanding in relation to such confidential approach for 30 days or publicly recommend shareholders to take any action in relation to the proposed control transaction, but is otherwise not prohibited from:

- (a) continuing its discussions with the third party proposing such control transaction in anticipation of entering into such an agreement, arrangement or understanding after the end of the 30-day notice period;
- (b) publicly disclosing the fact of, and any information in relation to, the proposed third-party control transaction; and
- (c) providing further guidance to shareholders (including a recommendation) following the expiration of the 30-day period.

Change of Control Restrictions

For a period of 60-months after the Completion Date under the Subscription Agreement, SIG Sports agrees:

- (a) it will not launch a control transaction in relation to the Company unless it has first been approved by the Board;
- (b) it will not accept or otherwise support a third-party control transaction in relation to the Company unless it has first been recommended by the Board, and that recommendation has not been withdrawn or adversely changed; and
- (c) in the absence of SIG Sports announcing a superior proposal recommended by the Board, it will accept a third-party control transaction that has been recommended by the Board and that recommendation has not been withdrawn or adversely changed.

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