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POINTSBET

H1 FY23 : RESULTS PRESENTATION | February 2023



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H1 FY23 TRADING METRICS

		GROUP		
<i>All figures in A\$</i>		H1 FY22	H1 FY23	PCP
SPORTS BETTING	Turnover / Handle	\$2,305.9m	\$3,225.5m	+40%
	Gross Win %	10.9%	8.3%	(2.6pp)
	Gross Win	\$250.9m	\$267.0m	+6%
	Net Win %	6.0%	4.9%	(1.1pp)
	Net Win	\$139.2m	\$158.2m	+14%
	iGAMING	Net Win	\$7.6m	\$23.7m
TOTAL	Total Net Win	\$146.7m	\$182.2m	+24%

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).

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H1 FY23 Highlights –

North America Business Review

Australia Business Review

Group Financial Performance

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H1 FY23 KEY HIGHLIGHTS

- Group revenue up 28% on the PCP, anchored by United States delivering 81% Net Win growth (with US marketing expense down 17%)
- 548,236 Global Active Clients for the 12 months to 31 December 2022
- iGaming represents 31% of North American Net Win
- Market leading live betting penetration in North America:
 - Live betting represented 56% of total H1 handle
 - By the end of H1, proprietary in-house OddsFactory models driving 80% of all handle
- Renewed and disciplined focus on cost efficiencies, combined with strong revenue growth, delivering increased operational leverage

H2 FY23 EBITDA OUTLOOK

- H2 FY23 Normalised Group EBITDA loss expected to be between \$(77.0)m and \$(82.0)m, compared to a loss of (\$117.6)m for the PCP and (\$149.1)m in H1 FY23

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North America Trading Metrics

US¹ H1 FY23



		All figures in A\$		
		H1 FY22	H1 FY23	PCP
SPORTS BETTING	Turnover / Handle	\$947.5m	\$1,573.7m	+66%
	Gross Win Margin %	7.5%	6.1%	(1.4pp)
	Gross Win	\$70.8m	\$95.4m	+35%
	Net Win Margin %	3.3%	3.2%	(0.1pp)
	Net Win	\$31.3m	\$50.7m	+62%
	iGAMING	Net Win	\$7.6m	\$19.4m
TOTAL	Total Net Win	\$38.8m	\$70.1m	+81%

CANADA¹ H1 FY23



		All figures in A\$	
		H1 FY23	HoH
SPORTS BETTING	Turnover / Handle	\$101.3m	+535%
	Gross Win Margin %	5.0%	+0.9pp
	Gross Win	\$5.1m	+664%
	Net Win Margin %	2.5%	+5.5pp
	Net Win	\$2.5m	n.m.
	iGAMING	Net Win	\$4.2m
TOTAL	Total Net Win	\$6.7m	+3,767%

1. Average AUD / USD FX rate 0.6706 for H1 FY23 and 0.7319 for H1 FY22; AUD / CAD FX rate 0.8922 for H1 FY23.

NORTH AMERICA OSB + iGAMING REVENUE +98% VS PCP, DRIVEN BY SUPER USER LED CLIENT GROWTH USERS

01

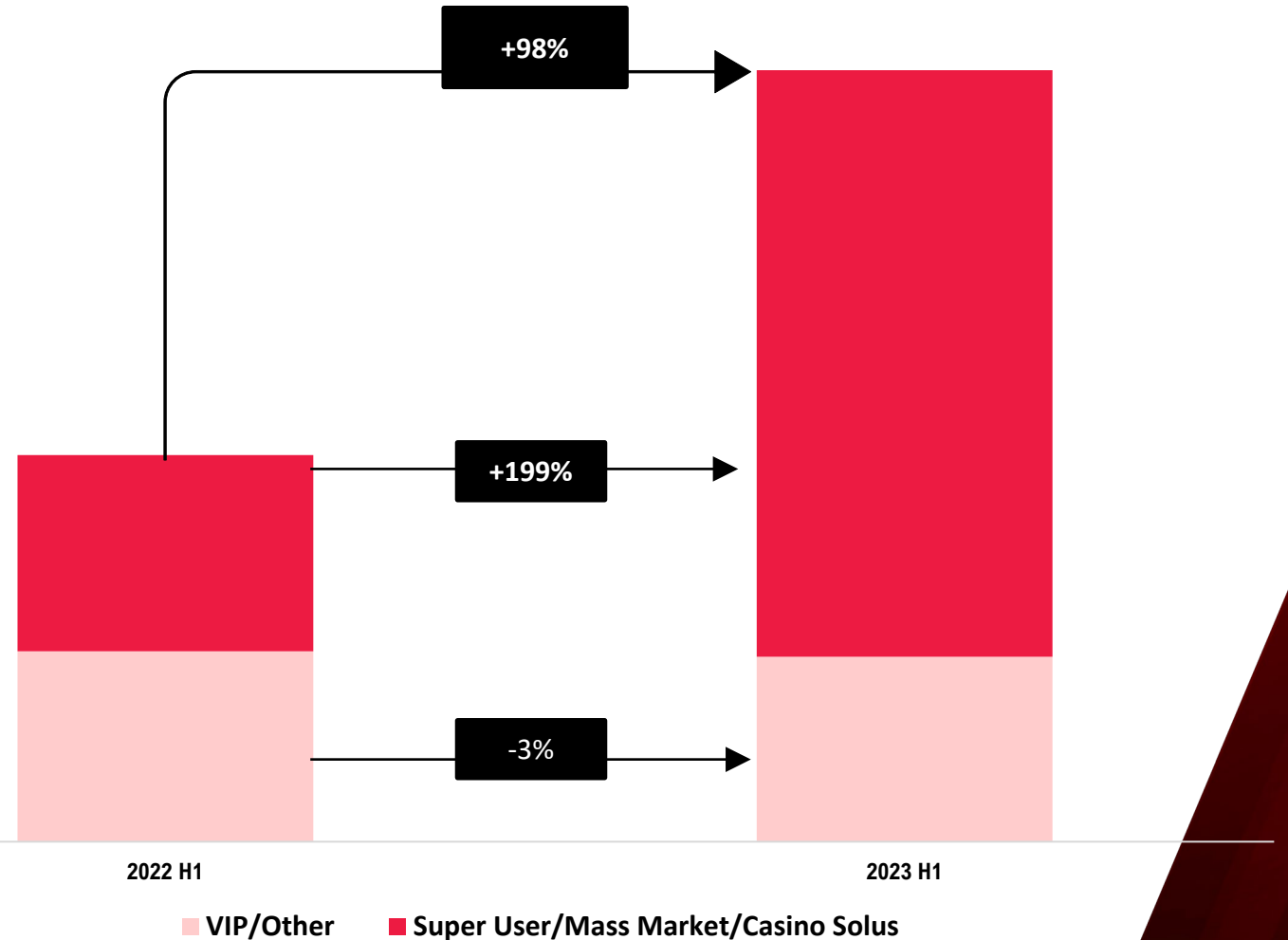
REVENUE PROFILE
SHIFTING OVER TIME AS FOCUS COHORTS
(+199%) DRIVE GROWTH

02

AVERAGE STAKES
MODERATING TOWARDS MARKET
NORMS WITH SHIFT IN BUSINESS MIX

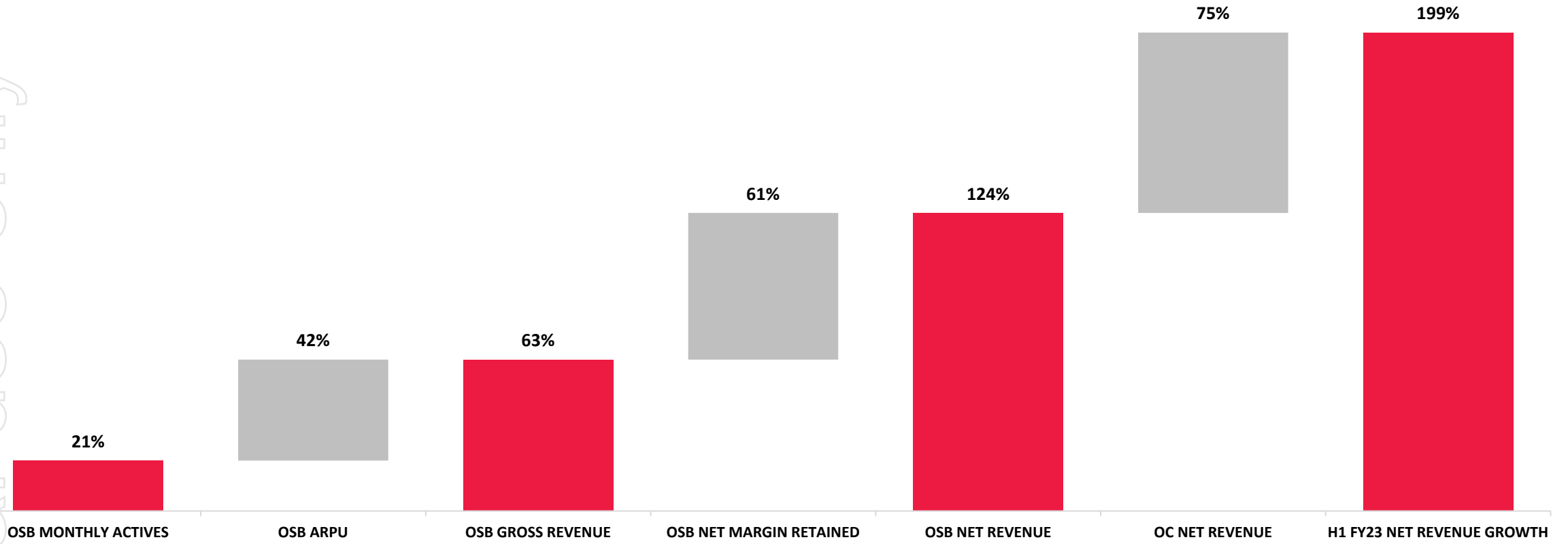
03

NGR FOCUS
REVENUE MODEL OPTIMISED FOR NGR
GROWTH RATHER THAN HANDLE



+199% REVENUE GROWTH IN TARGET SEGMENTS, VIA STRONG ENGAGEMENT AND PROMO EFFICIENCY

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- Investment and growth focused on the right customer cohorts

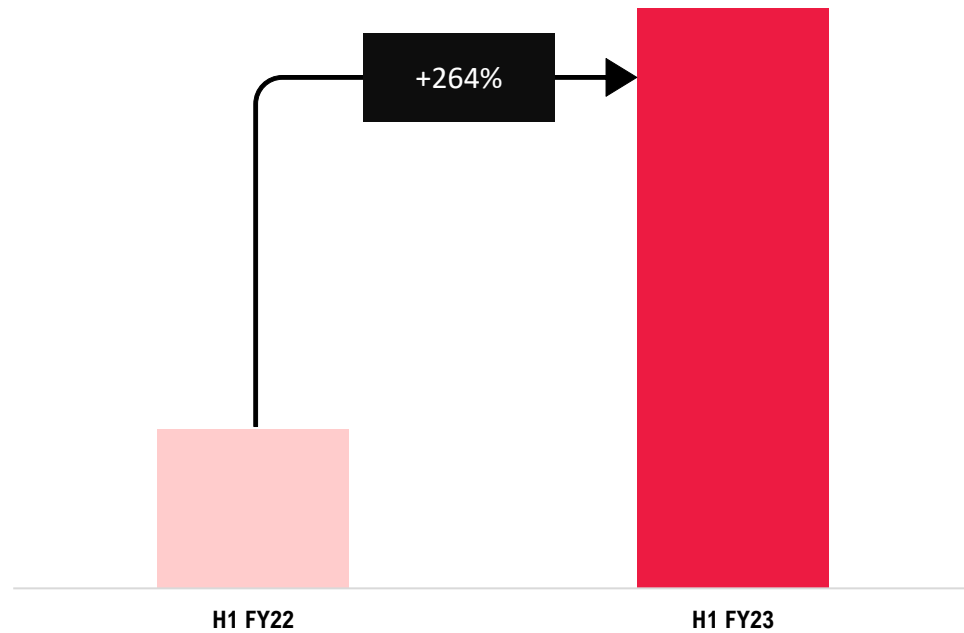
- Increased Betcount
- Improving Gross Margins
- Multi Product Usage

- Promotions more targeted and optimized from PCP

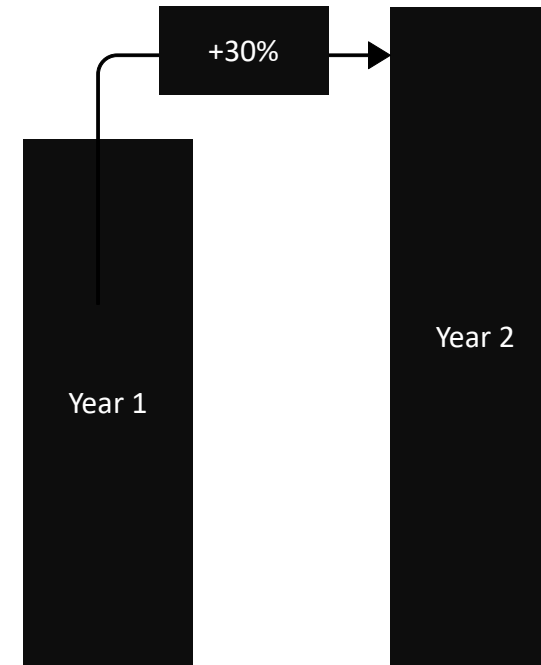
- Further monetization with cross-sell and direct-to-casino acquisition

IMPROVING UNIT ECONOMICS AS NEW PLAYERS ARE HIGHER VALUE AND ACQUIRED AT LOWER COST

First Year Net Win Payback of H1 Clients
+264% YoY*



WITH STRONG Y1 TO Y2 GROWTH PROFILE*



* Internal management forecast (both OSB and iGaming)
First Year Net Win Payback means actual plus predicted Net Win for new client cohorts during their first 12 months tenure divided by Cost of Sign-up offer plus direct and indirect media spend

* Net Win contribution of Clients acquired prior to December 2020
Includes OSB and iGaming

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NORTH AMERICA HIGHLIGHTS

- Targeted and localised North America marketing strategy together with ongoing product improvements delivered 98% North America Net Win growth
- +199% Revenue growth in Targeted Segments, delivering a more sustainable client base
- Super User focus is delivering more Active clients and greater Average Revenue Per User (ARPU)
- Improving Cost per Acquisition and Life-Time Value of clients has resulted in 264% improvement in first-year net win payback
- PointsBet's outstanding technology platform and product now live in 15 North American jurisdictions and delivering strong net win growth



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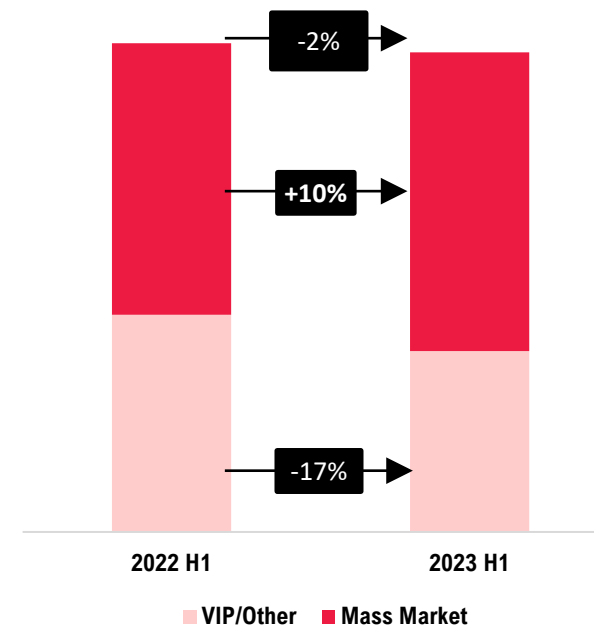
HIGHLIGHTS: AUSTRALIA H1 FY23

All figures in A\$		H1 FY22	H1 FY23	PCP
SPORTS BETTING	Turnover / Handle	\$1,358.4m	\$1,550.5m	+14%
	Gross Win Margin %	13.3%	10.7%	(2.5pp)
	Gross Win	\$180.1m	\$166.5m	(8%)
	Net Win Margin %	7.9%	6.8%	(1.2pp)
	Net Win	\$107.9m	\$105.3m	(2%)

- Turnover growth driven by Sports-influenced by product roadmap & promotions strategy
- Racing turnover in line with overall decline in online Racing Wagering Market
- Rate of promotions as a percentage of Gross Win improved to 36.8% vs 40.1% in the PCP

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Net Win contribution of Mass Market vs VIP



- Australia Net Win led by growth in Mass Market cohort – improved long-term sustainability

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GROUP RESULTS NORMALISED

All amounts in A\$m ¹	Normalised ³	
	H1 FY22	H1 FY23
Net revenue	139.1	178.1
Cost of sales	(84.4)	(108.2)
Gross profit	54.7	69.9
Other income ²	0.1	0.1
Sales and marketing expense	(124.1)	(131.3)
Employee benefits expense	(37.8)	(58.2)
Product and technology expense	(9.1)	(17.3)
Administrative and other expenses	(9.8)	(12.3)
Total operating expenses	(180.8)	(219.1)
EBITDA	(126.0)	(149.1)

NET REVENUE⁴

- Net Revenue of \$178.1m, an increase of 28% vs the PCP

GROSS PROFIT MARGIN

- H1 FY23 Gross Profit Margin stable vs H1 FY22
- H2 FY23 Gross Profit Margin expected to improve with operating scale in North America

TOTAL OPERATING EXPENSES

- Total Operating Expenses will decrease in H2 FY23 vs H1 FY23
- Sales and marketing expense will fall in H2 FY23 vs H1 FY23
- H2 FY23 Total Normalised Operating Expenses, excluding sales and marketing expenses, are anticipated to be in-line with H1 FY23 reflecting a **stabilized cost base**

Note:

1. Average AUD / USD FX rate 0.6706 for H1 FY23 and 0.7319 for H1 FY22; AUD / CAD FX rate 0.8922 for H1 FY23; AUD / EUR FX rate 0.6612 for H1 FY23 and 0.6303 for H1 FY22.
2. Other income relates to R&D income.
3. For detail on normalisation adjustments, please see slide 23.
4. For reconciliation of net win to net revenue, please see slide 24.

SEGMENT RESULTS SUMMARY

Statutory Results

A\$m ¹	H1 FY22	H1 FY23	Change (%)
Australia Trading	97.6	95.3	
United States Trading	40.3	75.0	
Canada Trading	-	6.7	
Technology	1.2	1.1	
Corporate	-	-	
Statutory Revenue²	139.1	178.1	28%
Australia Trading	(16.1)	(20.2)	
United States Trading	(94.2)	(92.9)	
Canada Trading	-	(19.4)	
Technology	(6.8)	(12.0)	
Corporate	(13.5)	(18.6)	
Total Statutory EBITDA	(130.6)	(163.2)	(25%)
Loss for the year	(146.4)	(178.2)	
Basic loss per share (cps)	(59.0)	(58.3)	1%

AUSTRALIA TRADING EBITDA

- As per last year the Company's FY23 marketing strategy was to front-end the marketing expense in H1 FY23.
- The H2 FY23 marketing expense will be significantly reduced to c. \$15 million

Normalised Results

A\$m ¹	H1 FY22	H1 FY23	Change (%)
Revenue²	139.1	178.1	28%
Normalised EBITDA	(126.0)	(149.1)	(18%)
Loss for the year	(136.6)	(163.0)	(19%)
Basic loss per share (cps)	(55.0)	(53.4)	

CORPORATE

The Corporate segment Statutory EBITDA loss was largely flat on PCP when normalized for share-based payments

Note:

1. Average AUD / USD FX rate 0.6706 for H1 FY23 and 0.7319 for H1 FY22; AUD / CAD FX rate 0.8922 for H1 FY23; AUD / EUR FX rate 0.6612 for H1 FY23 and 0.6303 for H1 FY22.
2. Revenue is measured at the fair value of the consideration received or receivable from Clients less GST, free bets, promotions, bonuses and other fair value adjustments, B2B revenues and ADW revenues in the US.

BALANCE SHEET

All amounts in A\$m ¹	As at 30 Jun 22	As at 31 Dec 22
Cash and cash equivalents	519.6	387.2
Intangible assets	212.5	224.3
Right-of-use assets	14.7	13.2
Prepayments ²	181.6	179.3
Deposits held in escrow ³	16.2	16.4
Other assets	16.5	21.6
Total assets	961.1	842.0
Lease liabilities	17.7	16.6
Trade and other payables	46.2	67.7
Player cash accounts	46.7	66.7
Financial liability ⁴	79.7	81.4
Contract liabilities	12.3	11.8
Other liabilities	22.1	20.0
Total liabilities	224.7	264.2
Net assets	736.4	577.8
Total equity	736.4	577.8

Note:

1. End of period H1 FY23 AUD/USD FX rate 0.6816, AUD/CAD FX rate 0.9234, AUD/EUR FX rate 0.6369; End of H2 FY22 AUD / USD FX rate 0.6888, AUD/CAD FX rate 0.8894 and AUD/EUR FX rate 0.6604.
2. Prepayments, includes prepayments for future marketing spend of \$164.8 million. The significant majority representing an offset to the total cash marketing commitment across the five years under the NBCUniversal Media Partnership.
3. The deposits held in escrow relate primarily to marketing commitments.
4. Financial liability (non-current) relating to the fair value of the debt component of the share options issued as part of the NBCUniversal transaction. The \$81.4 million includes the notional interest charged and fair value loss on the financial liability for the half-year period.

CASH AND CASH EQUIVALENTS

- The group had \$387.2 million in cash (of which \$66.5 million represented client cash), a proportion of which is held in USD
- The group had no borrowings

NET ASSETS

- Net asset movements are driven primarily by:
 - Cash operational investments into the North America opportunity
 - Intangible Assets increased due to:
 - Continued investment in our betting platform through the capitalisation of product and technology employee costs and other related development costs; and
 - Investment in US licenses and market access fees

CASH FLOWS STATUTORY

A\$m ¹	H1 FY22	H1 FY23
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	162.8	187.4
Payments to suppliers and employees (inclusive of GST)	(256.8)	(313.9)
	(94.0)	(126.5)
Interest received	0.3	3.8
Interest paid on lease liabilities	(0.4)	(0.4)
Net increase in player cash accounts	15.8	19.6
Net cash (outflow) from operating activities	(78.3)	(103.6)
Cash flows from investing activities		
Payments for plant and equipment	(1.5)	(1.6)
Payments for capitalised software development	(13.4)	(21.5)
Payments for market access intangible	(36.3)	(6.0)
Rental bond	(0.2)	(1.7)
Payments for funds held in escrow	(3.8)	-
Payments to acquire businesses (net of cash acquired)	(0.1)	-
Net cash (outflow) from investing activities	(55.3)	(30.9)
Cash flows from financing activities		
Proceeds from issues of shares (net of share issue cost)	389.5	(0.1)
Option exercises	35.0	0.4
Repayment of leases	(1.6)	(2.3)
Net cash inflow from financing activities	422.9	(2.0)
Net increase in cash and cash equivalents	289.3	(136.5)
Cash and cash equivalents at the beginning of the financial year	276.2	519.6
Effects of exchange rate changes on cash and cash equivalents	3.5	4.0
Cash and cash equivalents at end of year	569.0	387.2

Note:

1. End of period H1 FY23 AUD/USD FX rate 0.6816, AUD/CAD FX rate 0.9234, AUD/EUR FX rate 0.6369; End of H1 FY22 AUD / USD FX rate 0.7262, AUD/EUR FX rate 0.6412.

2. Based on expected trading performance for the duration of the financial year. This represents a decrease from the previous January 2023 outlook of a circa 35% reduction. The change is driven partly by an observed decline in the Online Racing Wagering Market and VIP volatility in Australia, and the actual and estimated timing of payments, resulting in an expected increase in operating cash outflows, partly offset by lower-than-expected investing cash outflows in H2 FY23.

- At 31 December 2022, the group had a cash balance of \$387.2m, including \$66.5m of client cash and \$320.7m of corporate cash
- Total cash receipts from customers were \$187.4 million, which included \$182.2 million from Sportsbook and iGaming. The balance cash receipts from PointsBet's B2B operations and US Advance Deposit Wagering business
- Net operating outflows excluding movement in player cash accounts was (\$123.2m), whilst revenue grew in H1 FY23 vs the PCP, cash outflows increased as a result of increased operations and continued scale operational capabilities
- Net investing outflows were (\$30.9m) as the business continued investment in US licences and market access as well as continued investment in the development of the betting platform
- Net financing outflows were (\$2.0m)
- H2 FY23 net cash outflow, excluding movement in player cash, is expected to be approximately 30% lower than H1 FY23²

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Conclusion

Q&A

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STATUTORY P&L

A\$m ¹	H1 FY22	H1 FY23
Revenue ²	139.1	178.1
Cost of sales	(84.4)	(108.2)
Gross profit	54.7	69.8
Other income	0.2	0.1
Sales and marketing expense	(124.1)	(131.3)
Employee benefits expense	(44.2)	(75.0)
Product and technology expense	(7.9)	(15.5)
Administration and other expenses	(9.3)	(11.2)
Total operating expenses	(185.5)	(233.0)
EBITDA	(130.6)	(163.1)
Net finance income/ (costs)	(4.5)	2.5
Net foreign exchanges gains/(losses)	1.6	3.6
Depreciation and amortisation expense	(12.9)	(22.6)
Loss for the year before tax	(146.4)	(179.6)
Income tax benefit	-	1.4
Loss for the year after tax	(146.4)	(178.2)

Note:

1. Average AUD / USD FX rate 0.6706 for H1 FY23 and 0.7319 for H1 FY22; AUD / CAD FX rate 0.8922 for H1 FY23; AUD / EUR FX rate 0.6612 for H1 FY23 and 0.6303 for H1 FY22.

2 Revenue is measured at the fair value of the consideration received or receivable from Clients less GST, free bets, promotions, bonuses and other fair value adjustments, B2B revenues and ADW revenues in the US.

RECONCILIATION TO STATUTORY P&L

A\$m ¹	H1 FY23 Normalised	Adjustments	H1 FY23 Statutory
Revenue ³	178.1	-	178.1
Cost of sales	(108.2)	-	(108.2)
Gross profit	69.8	-	69.8
Other income	0.1	-	0.1
Sales and marketing expense	(131.3)	-	(131.3)
Employee benefits expense	(58.2)	(16.8)	(75.0)
Product and technology expense	(17.3)	1.8	(15.5)
Administration and other expenses	(12.3)	0.9	(11.2)
Total operating expenses	(219.1)	(14.1)	(233.0)
EBITDA	(149.1)	(14.1)	(163.1)
Net finance costs	4.6	(2.1)	2.5
Net foreign exchange gains / (losses)	-	3.6	3.6
Depreciation and amortisation expense	(20.0)	(2.6)	(22.6)
Loss for the year before tax	(164.5)	(15.2)	(179.6)
Income tax benefit	1.4	-	1.4
Loss for the year after tax	(163.0)	(15.2)	(178.2)

Note:

1. Average AUD / USD FX rate 0.6706 for H1 FY23 and; AUD / CAD FX rate 0.8922 for H1 FY23; AUD / EUR FX rate 0.6612 for H1 FY23.
2. An individual significant adjustment may impact multiple P&L line items.
3. Revenue is measured at the fair value of the consideration received or receivable from Clients less GST, free bets, promotions, bonuses and other fair value adjustments, B2B revenues and ADW revenues in the US.

A\$m ¹	H1 FY22 ²
Interest on financial liability	3.4
Fair value gain on financial liability	(1.7)
Share based payments (non-cash) – employee share option plan (ESOP) and Key Employee Equity Plan (KEEP)	16.8
Impact of AASB 16 Leases	0.3
Net foreign exchange gain	(3.6)
Total significant items and adjustments	15.2

RECONCILIATION OF NET WIN TO NET REVENUE

A\$m ¹	H1 FY23
Net Win (inclusive of Goods and Services Tax)	182.2
Deduction for Goods and Services Tax	(9.6)
Fair Value adjustments and B2B / ADW revenue streams	5.5
Total Reported Revenue	178.1

Note:

1. Average AUD / USD FX rate 0.6706 for H1 FY23, AUD / CAD FX rate 0.8922 for H1 FY23; AUD / EUR FX rate 0.6612 for H1 FY23.