

UPDATE ON SALE OF POINTSBET US BUSINESS

Melbourne, 19 June 2023

PointsBet Holdings Limited (ASX:PBH) (the **Company** or **PointsBet**) refers to the ASX release dated 16 June 2023 in relation to the non-binding indicative proposal from DraftKings Inc. (**DraftKings**) to acquire PointsBet's US Business for a headline purchase price of US\$195 million in cash, on a debt-free and cash-free basis with no financing condition (the **DraftKings Proposal**). Terms defined in the 16 June 2023 ASX release have the same meaning in this release.

The Directors of PointsBet have:

- considered the DraftKings Proposal; and
- acting in good faith, have determined (after consultation with the Company's financial and legal advisers) that the DraftKings Proposal could reasonably be expected to lead to a Superior Proposal (as that term is summarised in the Company's ASX release dated 26 May 2023),

and, to this end, PointsBet (with the assistance of its financial and legal advisers), will now engage with DraftKings on the DraftKings Proposal (refer attached letter).

As previously advised, it should be noted that the DraftKings Proposal does not constitute a binding offer or commitment on the part of DraftKings to negotiate or execute a definitive agreement and, to this end, there is no guarantee that the DraftKings Proposal will result in a binding definitive agreement.

The Board continues to recommend that Shareholders vote in favour of the FBG Transaction at the Extraordinary General Meeting scheduled for Friday, 30 June 2023, while it considers the DraftKings Proposal.

This announcement has been authorised for release by the Board Disclosure Committee.

- Ends -

About PointsBet

PointsBet is a corporate bookmaker listed on the Australian Stock 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.

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18 June 2023

Jason Robins
Chief Executive Officer and Chairman
DraftKings Inc.
Via email: jrobins@draftkings.com

Re: Indication of Interest in the Acquisition of PointsBet's US Business

Dear Jason

Thank you for your letter of 15 June 2023 outlining DraftKings Inc.'s ("DraftKings") non-binding indicative offer ("NBIO") to acquire the United States online sports betting, iGaming and retail sportsbook business ("US Business") of PointsBet Holdings Limited ("PointsBet").

The PointsBet Board ("Board") has considered the NBIO and, acting in good faith, has determined (after consultation with its financial and legal advisers) that the NBIO could reasonably be expected to lead to a Superior Proposal (as that term is defined in the Stock and Equity Sale Agreement with FBG Enterprises Opco, LLC, "FBG Transaction" and "FBG" respectively). As such, the Board is prepared to engage with DraftKings.

To facilitate due diligence we have also attached a Non-Disclosure Agreement ("NDA") for execution.

In addition, given DraftKings is a key competitor of PointsBet, it is our strong preference that DraftKings' due diligence is conducted by a clean team. This will require agreement of a clean team protocol prior to the commencement of due diligence. In the interest of time, we suggest that DraftKings provides a clean team protocol that best works for your team. Please confirm you are aligned with this approach.

Post the execution of the necessary agreements and protocols, the PointsBet management team and our advisers are ready to immediately provide access to a populated virtual data room and engage with your team and advisers to complete your due diligence in the required timeframe.

Additionally, as discussed with you verbally, the Board requires a written confirmation, as soon as practicable, of DraftKings' position on funding the cash burn of the US Business (noting that the FBG Transaction caps PointsBet's cash burn at US\$21m from 1 July 2023).

In light of the anticipated heightened scrutiny of an acquisition of PointsBet by DraftKings, as compared to the FBG Transaction, please provide written confirmation that DraftKings will assume the risk of delay and/or denial of antitrust approvals, as we intend to hold DraftKings to a "hell or high water" standard with respect to antitrust clearances.

Finally, given the non-binding nature of the NBIO, and in the absence of a fully documented agreement, the Board continues to recommend that PointsBet shareholders vote in favour of the FBG Transaction.

Accordingly, we propose in parallel to the due diligence process to send draft transaction documentation with a view to finalising these documents as soon as possible (and on an insured or otherwise non-recourse basis consistent with the FBG Transaction) and no later than 6pm Tuesday 27 June (Melbourne time).

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I look forward to hearing from you and working with you to progress your NBIO.

Yours sincerely,



Brett Paton
Non-Executive Chairman

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