

28 July 2023

The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Exchange Centre
20 Bridge Street
Sydney NSW 2000

PointsBet Holdings Limited
August 2023 Hybrid Extraordinary General Meeting - Notice of Meeting

In accordance with Listing Rule 3.17, please find attached the Notice of Meeting for the Company's Hybrid Extraordinary General Meeting to be held on Tuesday, 29 August 2023.

A Notice and Access Form will be dispatched to shareholders in accordance with their elections.

Yours faithfully



Andrew Hensher
Group General Counsel
and Company Secretary

For personal use only

POINTSBET

POINTS BET HOLDINGS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

29 August 2023 at 10.00am (Melbourne time)

Baker McKenzie

Level 19, 181 William St, Melbourne VIC 3000

EXTRAORDINARY GENERAL MEETING

Dear Shareholder,

EXTRAORDINARY GENERAL MEETING

On behalf of the Board, I am pleased to invite you to attend a Hybrid Extraordinary General Meeting (**Meeting**) of PointsBet Holdings Limited (**Company** or **PointsBet**), which has been scheduled as follows:

- Date:** 29 August 2023
- Time:** 10.00am (Melbourne time) with registration open from 9.00am
- Location:** Baker McKenzie, Level 19, 181 William St, Melbourne VIC 3000
- Webcast:** <https://meetnow.global/M7RWQYG>

Shareholders and proxyholders who attend online will be able to follow the proceedings, cast a live vote and ask questions online in real time.

As announced to ASX on 28 June 2023, the Company and FBG, a subsidiary of Fanatics Holdings, Inc. (**Fanatics**), agreed to amend the Stock and Equity Sale Agreement (**Sale Agreement**) for the sale of the Company's US Business increasing the headline cash consideration to US\$225 million (**Proposed Transaction**).

The Proposed Transaction was then approved by Shareholders at a general meeting of the Company on 30 June 2023.

Completion of the Proposed Transaction is intended to take place over a multi-stage completion process with the first stage being referred to as the **Initial Completion** and the second stage being referred to as the **Subsequent Completion**. Completion of the Proposed Transaction is subject to certain regulatory approvals and other customary conditions.

Assuming the Proposed Transaction Completes, US\$175 million is to be received at the Initial Completion and US\$50 million is to be received at the Subsequent Completion.¹

Following the sale of the US Business, the funding requirements of the Company's remaining assets will be fundamentally different to the status quo. Accordingly, PointsBet intends to distribute to shareholders the net sale proceeds (after applicable taxes and transaction costs) together with the majority of the Company's corporate cash reserves that will be surplus to the needs of the remaining business. This distribution is intended to be in the form of two Capital Return tranches:

- The first Capital Return is expected to be approximately A\$315 million (which equates to approximately A\$1 per Share²) and is intended to be implemented soon after the Initial Completion (**First Capital Return**); and
- The second Capital Return is expected to be between A\$125 million and A\$143 million (which equates to between A\$0.39 and A\$0.44 per Share³) and is intended to be implemented soon after the Subsequent Completion (**Second Capital Return**).

Resolution 1 to be considered at the Meeting will establish the approval framework required to give effect to the Capital Returns without the need to approach Shareholders for approval on each occasion.

¹ Subject to agreed adjustments.

² Assuming approximately 315 million Shares on issue.

³ Assuming between 320 million and 326 million Shares on issue depending on the number of: (a) employee options that are likely to be exercised before the Second Capital Return; and (b) performance share rights that will vest prior to the Second Capital Return. The vesting of performance share rights will be determined at the discretion of the Board.

EXTRAORDINARY GENERAL MEETING

Where Resolution 1 is approved at the Meeting and the Proposed Transaction Completes, an indicative timetable for the Capital Return is set out below:

Event	Anticipated Date
Expected timing of the Initial Completion and expected announcement of effective date of the First Capital Return	Early-September 2023
Expected Record Date for the First Capital Return	Mid-September 2023
Expected Payment Date for the First Capital Return	Mid-September 2023
Expected timing of the Subsequent Completion and expected announcement of effective date of the Second Capital Return	March 2024
Expected Record Date for the Second Capital Return	March 2024
Expected Payment Date for the Second Capital Return	March 2024

The above dates are indicative only given that the precise timing of the Initial Completion and Subsequent Completion is not yet known. Final dates once determined will be announced to the ASX.

The benefits of the Capital Return are explained in more detail in the attached Explanatory Statement, along with other information relevant to your vote.

Your vote is important, and you should carefully read this Notice of Meeting and the Explanatory Statement as they provide important information on the Capital Return, the Meeting and the Resolutions that you, as a valued Shareholder, are being asked to vote on.

Yours sincerely



Brett Paton

Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE OF MEETING

Notice is given that an Extraordinary General Meeting (**Meeting**) of the Shareholders of PointsBet Holdings Limited (**Company** or **PointsBet**) will be held at the time and location, and to conduct the business, specified below:

Date: Tuesday, 29 August 2023

Time: 10.00am (Melbourne time)

Location: Baker McKenzie, Level 19, 181 William St,
Melbourne VIC 3000

Webcast: <https://meetnow.global/M7RWQYG>

The Meeting will be webcast live. To view the webcast, enter <https://meetnow.global/M7RWQYG> into your browser on your computer or mobile device and join the meeting as a guest.

The Explanatory Statement to this Notice of Meeting provides further details.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BUSINESS OF THE MEETING

ORDINARY BUSINESS

Resolution 1: Return of Capital

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, in accordance with Part 2J.1 of the Corporations Act 2001 (Cth), the Directors are authorised to reduce the share capital of the Company by paying each registered holder of Shares at a particular date and time (**Record Date**) an equal amount per Share (**Capital Return**). The Capital Return may be effected in two tranches (**First Capital Return** and **Second Capital Return**), and each tranche may be declared and paid at such time, in such amount and with such Record Date as the Directors may determine in their absolute discretion, provided that:*

- *the Capital Return, in aggregate across the two tranches, does not exceed A\$458 million; and*
- *in accordance with section 256B(1) of the Corporations Act, the Directors are satisfied on each occasion that each of the First Capital Return and Second Capital Return is declared and paid that the applicable tranche is fair and reasonable to the Shareholders as a whole and does not materially prejudice the Company’s ability to pay its creditors.”*

Resolution 2: Approval of Benefits to Specific Employees on Transfer of Undertaking or Property of the Company

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of sections 200C and 200E of the Corporations Act 2001 (Cth) and for all other purposes, Shareholder approval is given for the Company and its subsidiaries to give benefits to employees Mr Samuel Swanell, Mr Andrew Mellor and Mr Andrew Hensher in connection with the transfer of the whole or part of the undertaking or property of the Company, in the form of early vesting of performance share rights on a pro-rata basis, on the terms described in the Explanatory Statement accompanying and forming part of this Notice of Meeting.”

Voting Exclusion

In accordance with section 200E(2A) of the Corporations Act, no votes on Resolution 2 must be cast (in any capacity) by, or on behalf of, Mr Samuel Swanell, Mr Andrew Mellor or Mr Andrew Hensher or any of their respective associates.

However, this does not prevent the casting of a vote on Resolution 2 if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- it is not cast on behalf of a person described above.

Additionally, in accordance with section 250BD of the Act, a vote must not be cast on Resolution 2 as a proxy by a member of the KMP, or a closely related party of a KMP member, unless it is cast as proxy for a person entitled to vote in accordance with the person’s directions.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of a member of the KMP.

By order of the Board.



Andrew Hensher
Group General Counsel
and Company Secretary
28 July 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES

These notes and the following Explanatory Statement form part of the Notice of Meeting.

If you are unable to attend the Meeting but wish to appoint a proxy, please complete and return the enclosed Proxy Form so that it is received prior to 10.00am (Melbourne time) on 27 August 2023. You can do this online or by returning it to our Share Registry, Computershare Investor Services Pty Limited. Details of how to complete and submit the Proxy Form are included on the Proxy Form.

A form is also enclosed for those who cannot attend the Meeting but would like to submit questions on any Shareholder matters that may be relevant to the Meeting. The more frequently raised Shareholder issues will be addressed by the Chairman during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Determination of entitlement to attend and vote

For the purposes of determining an entitlement to vote at the Meeting, shares will be taken to be held by the persons who are registered as Shareholders at 7:00pm (Melbourne time) on 27 August 2023.

Voting approval requirement

Each Resolution will be passed as ordinary resolution if more than 50% of the votes cast by Shareholders present and eligible to vote at the Meeting (whether in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

Proxies

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. If a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

An instrument appointing a proxy must be signed by the Shareholder appointing the proxy or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a corporation, in accordance with the Corporations Act and the Shareholder's constitution. A proxy need not be a Shareholder of the Company and may be an individual or body corporate. A proxy has the same rights as a Shareholder to speak at the Meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll.

A Proxy Form which is signed under power of attorney or other authority must be accompanied by that power of attorney or authority or a copy of that power of attorney or authority certified as a true copy by statutory declaration, unless it has previously been provided to and been accepted by the Share Registry. Where more than one joint holder votes, the vote of the holder whose name appears first in the register of Shareholders shall be accepted to the exclusion of the others.

Shareholders who have appointed a proxy may still attend the Meeting. However, the proxy's rights to speak and vote are suspended while the Shareholder is present.

The Company encourages all Shareholders who submit proxies to direct their proxy whether to vote for or against or to abstain from voting on the Resolutions.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

An instrument appointing a proxy must be lodged as follows by no later than 10.00am (Melbourne time) on 27 August 2023 in order to be effective:

- online, by following the instructions on the Proxy Form accompanying this Notice of Meeting;
- by mail, addressed to PointsBet Holdings Limited, C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia;
- by fax to the Share Registry on 1800 783 447 (within Australia) and +61 3 9473 2555 (outside Australia); or
- in person to the Share Registry, Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, Victoria, 3067, Australia.

Corporate representatives

A body corporate which is a Shareholder or which has been appointed as a proxy may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been provided to and been accepted by the Share Registry.

If such evidence is not received prior to the commencement of the Meeting, then the individual will not be permitted to act as the Shareholder's representative or representative of the Shareholder's proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Voting

Voting on the Resolutions will be conducted by poll. Upon a poll, every Shareholder who is entitled to vote and is present in person or by proxy, representative or attorney will have one vote for each share held by that Shareholder.

Notice to persons outside Australia

This document has been prepared in accordance with Australian laws and disclosure requirements. These laws and disclosure requirements may be different to those in other countries.

Currency and Currency Conversion

All financial amounts contained in this document are expressed in Australian dollars and cents (which are marked as "A\$" or referred to as "cents") or United States dollars (which are marked as "US\$") unless otherwise stated.

Rounding

Certain percentages and amounts included in this document have been rounded for ease of presentation.

EXPLANATORY STATEMENT

EXPLANATORY STATEMENT

ORDINARY BUSINESS

This Explanatory Statement is intended to provide Shareholders of the Company with information to assess the merits of the Resolutions as set out in the accompanying Notice of Meeting.

A Glossary can be found in **Schedule 1**.

Shareholders should read the Explanatory Statement in full before deciding how to vote at the Meeting.

Resolution 1: Return of Capital

1. INTRODUCTION

As announced to ASX on 28 June 2023, the Company and FBG, a subsidiary of Fanatics Holdings, Inc. (**Fanatics**), agreed to amend the Stock and Equity Sale Agreement (**Sale Agreement**) for the sale of the Company's US Business increasing the headline cash consideration to US\$225 million (**Proposed Transaction**). The Proposed Transaction was approved by Shareholders at a general meeting of the Company on 30 June 2023.

Completion of the Proposed Transaction is intended to take place over a multi-stage completion process with the first stage being referred to as the Initial Completion and the second stage being referred to as the Subsequent Completion.

US\$175 million is to be received at the Initial Completion and US\$50 million is to be received at the Subsequent Completion.⁴

Following the sale of the US Business, the Company intends to distribute to Shareholders the net sale proceeds together with the majority of the Company's corporate cash reserves that will be surplus to the needs of the remaining business in the form of two Capital Return tranches:

- The First Capital Return is expected to be approximately A\$315 million (which equates to approximately A\$1 per Share⁵) and is intended to be implemented soon after the Initial Completion; and

- The Second Capital Return is expected to be between A\$125 million and A\$143 million (which equates to between A\$0.39 and A\$0.44 per Share⁶) and is intended to be implemented soon after the Subsequent Completion.

Resolution 1 will establish the approval framework required to give effect to the Capital Returns without the need to approach Shareholders for approval on each occasion.

The estimated amount of each Capital Return is based on a number of assumptions regarding future events, trading conditions, business performance and the successful implementation of the Proposed Transaction, all of which involve risks, uncertainties and other factors beyond PointsBet's direct control. The final amounts which become available for distribution to Shareholders in due course may differ from such estimates and will reflect an assessment of the prevailing economic and operating conditions.

It is therefore not possible to determine the exact amounts of each Capital Return at this time. The Company will release an announcement to ASX once the amount of each Capital Return has been determined, which is expected to be around the time of the Initial Completion and the Subsequent Completion respectively.

Indicative Timetable

Where Resolution 1 is approved at the Meeting and the Proposed Transaction Completes, an indicative timetable for the Capital Return is set out below:

Event	Anticipated Date
Expected timing of the Initial Completion and expected effective date of the First Capital Return	Early-September 2023
Expected Record Date for the First Capital Return	Mid-September 2023
Expected Payment Date for the First Capital Return	Mid-September 2023

⁴ Subject to agreed adjustments.

⁵ Assuming approximately 315 million Shares on issue.

⁶ Assuming between 320 million and 326 million Shares on issue depending on the number of: (a) employee options that are likely to

be exercised before the second Capital Return; and (b) performance share rights that will vest prior to the second Capital Return. The vesting of performance share rights will be determined at the discretion of the Board.

EXPLANATORY STATEMENT

Event	Anticipated Date
Expected timing of the Subsequent Completion date and expected effective date of the Second Capital Return	March 2024
Expected Record Date for the Second Capital Return	March 2024
Expected Payment Date for the Second Capital Return	March 2024

Completion of the Proposed Transaction is subject to the terms of the Sale Agreement. The indicative timetable above and the dates within this document with respect to timing of the Capital Return will depend on timing of Completion of the Proposed Transaction, which is not yet known. The Company will confirm these dates as soon as it is able to do so. Final dates once determined will be announced to the ASX.

2. REASONS FOR THE DISTRIBUTION

As mentioned above, following the sale of the US Business, the funding requirements of the Company's remaining assets will be fundamentally different to the status quo. Accordingly, PointsBet intends to distribute to Shareholders the net sale proceeds (after applicable taxes and transaction costs) together with the majority of the Company's corporate cash reserves that will be surplus to the needs of the remaining business.

As the cash from the Proposed Transaction will be received in two tranches, it is intended that the Capital Return will be made over two tranches in-line with the completion process of the Proposed Transaction.

3. REQUIREMENTS FOR THE RETURN OF CAPITAL

(a) Equal reduction

The proposal in Resolution 1 constitutes an equal reduction in PointsBet's share capital for the purposes of the Corporations Act. It applies to each Shareholder in proportion to the number of ordinary shares that each Shareholder holds, with the terms of each Capital Return being the same for all Shareholders.

(b) Statutory requirements

The requirements under the Corporations Act for a company to reduce its share capital are set out below.

i. *The reduction must be fair and reasonable to the company's Shareholders as a whole*

The Directors consider that the proposal in Resolution 1 is fair and reasonable to PointsBet Shareholders as a whole. All PointsBet Shareholders will be treated in the same manner under each Capital Return. The overall return of capital received by each Shareholder will be proportionate to the number of shares they hold as at the applicable record date for each tranche of the Capital Return.

Resolution 1 only authorises the Directors to declare and pay a tranche of Capital Return if to do so is fair and reasonable to PointsBet's Shareholders as a whole in each instance.

ii. *The reduction must not materially prejudice the company's ability to pay its creditors*

The Directors have reviewed the assets, liabilities and expected cash flows of PointsBet, and are of the view that the proposal in Resolution 1 will not materially prejudice PointsBet's ability to pay its creditors.

Resolution 1 only authorises the Directors to declare and pay a tranche of Capital Return if to do so does not materially prejudice PointsBet's ability to pay its creditors.

iii. *The reduction must be approved by Shareholders under section 256C of the Corporations Act*

Shareholder approval is being sought at this meeting for the purposes of complying with section 256C(1) of the Corporations Act. Resolution 1 must be approved by an ordinary resolution of PointsBet Shareholders.

In accordance with section 256C(5) of the Corporations Act, a copy of this Notice of Meeting (including the Explanatory Statement) has been lodged with the Australian Securities and Investments Commission.

4. EFFECT ON CAPITAL STRUCTURE

For the purposes of ASX Listing Rule 7.20, the Company provides the following information:

- (a) No Shares will be cancelled as a part of either Capital Return and the number of Shares on issue will not change as a result of either Capital Return. Accordingly, the Capital Return will not affect the number of Shares held by each Shareholder.

EXPLANATORY STATEMENT

- (b) No fractional entitlements will arise from the Capital Return. All Shares are fully paid and will remain fully paid after each tranche of Capital Return is implemented.
- (c) For all outstanding options to subscribe for Shares, the exercise price of each option will be reduced by the same amount as the amount of each tranche of the Capital Return on a per Share basis, at the same time as the relevant tranche of the Capital Return is implemented, in accordance with ASX Listing Rule 7.22.3.
- (d) With regards to performance rights, the Board has discretion under the equity plan rules to grant additional rights or make any adjustments it considers appropriate to the terms of the performance rights in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from either Capital Return.

5. EFFECT ON FINANCIAL POSITION

Before paying each tranche of the Capital Return, the Directors will review the Company's assets, liabilities and expected cash flows, and form the view that each tranche of the Capital Return will not materially prejudice the Company's ability to pay its creditors.

The Directors will also need to have satisfied themselves as to the solvency of the Company following the declaration and payment of each tranche of the Capital Return.

6. EFFECT ON SHARE PRICE

Following each tranche Capital Return, PointsBet's Shares may trade at a lower share price from the relevant 'ex return of capital' date than they otherwise would have done had a return of capital not occurred. This is due to the return of funds to Shareholders and the consequent reduction in contributed capital and in turn reduction in net tangible assets per share.

7. TAX CONSEQUENCES FOR SHAREHOLDERS

7.1 *Introduction*

This section comments on the Australian income tax implications of the proposed Capital Returns for Shareholders. Note this is provided on the basis of receiving the Capital Return only, without also disposing of the shares.

References to Australian resident Shareholders are to Shareholders who are residents of Australia for Australian income tax purposes and are not a tax resident of any other jurisdiction.

This section should be read in conjunction with the entire Notice of Meeting and Explanatory Statement. This summary is not intended to be comprehensive and is based upon the Company's interpretation of Australian income tax law and administrative practices currently in force at the date of this Notice of Meeting. Shareholders should not rely on the information in this section as advice in relation to their own affairs. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. The taxation laws are complex and there could be implications in addition to those described in this section. The precise income tax implications for Shareholders will depend upon each investor's specific circumstances. Shareholders should seek independent professional advice in relation to their own particular circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act and is confined to Australian taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser before making a decision about your investments.

The information in this section only applies to Shareholders who hold their Shares on capital account. The commentary does not deal with the taxation implications of the Capital Return for:

- (a) Shareholders who hold the shares in the Company on revenue account or as trading stock; or
- (b) Shareholders who are exempt from Australian income tax; or
- (c) Shareholders subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997; or
- (d) Shareholders who changed their tax residency while holding their Shares; or
- (e) Shareholders who are foreign shareholders who own their Shares through a permanent establishment in Australia.

EXPLANATORY STATEMENT

For the purposes of section 7.2 and 7.3 below, "Shareholder" does not refer to any of the persons or entities at (a) to (e) above. It is important that such persons or entities also seek independent taxation advice specific to their circumstances.

7.2 *Tax ruling (pending)*

The Company is seeking a class ruling from the Australian Taxation Office (ATO) seeking confirmation on certain specific Australian tax implications for Shareholders receiving both Capital Returns.

Specifically, the class ruling application seeks ATO confirmation on:

- (a) The treatment of the Capital Returns received by Shareholders as a capital payment and not a dividend;
- (b) The associated Australian Capital Gains Tax (CGT) implications for Shareholders receiving the Capital Return; and
- (c) Whether the ATO will seek to apply any of the relevant integrity measures to the Capital Return.

Based on previous comparable transactions, it is anticipated that the views in the class ruling should be consistent with the summary in this section, although it is possible that the ATO's views may differ from this summary.

Once the class ruling is finalised by the ATO, it will be published on the ATO's website (<https://www.ato.gov.au>) and the Company's website (<https://www.investors.pointsbet.com.au>)

For completeness, general taxation comments regarding the receipt of both a return of capital and dividend component have been included below for Shareholders (noting the Company is seeking ATO confirmation that there is no dividend component).

7.3 *Australian taxation position of Australian Resident Shareholders*

The Capital Return should not constitute a dividend for Australian tax purposes.

The ATO may apply certain integrity measures to deem the Capital Return to be a dividend in part or in full.

The pending class ruling application seeks the ATO's confirmation that none of those integrity measures will be applied in relation to the Capital Return.

If the ATO determines that it will apply one or more integrity measures, the general implications for Shareholders being subject to Australian income tax on a dividend component are outlined below in 7.3 (b) and 7.4(b).

The ATO is not expected to apply these integrity measures, although it is possible that the ATO's views may differ from those outlined above.

(a) Return of capital

A return of capital for Australian income tax purposes will result in a CGT event for a Shareholder. The immediate Australian income tax consequence of the receipt of the capital proceeds from the Capital Return will depend on the cost base of a Shareholder's Shares for CGT purposes. The cost base of listed shares should generally be the cost of acquisition of the Shares, plus any costs incurred in relation to the acquiring and disposing of the shares (such as broker's fees and stamp duty).

If the capital reduction exceeds the cost base, then the Shareholder will realise a capital gain equal to the amount of the excess.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the Shareholder is an individual, complying superannuation entity or trustee, the Shares have been held for at least 12 months and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

EXPLANATORY STATEMENT

Shareholders who are companies are not entitled to the CGT discount.

If the cost base of the Shares exceeds the capital proceeds received by a Shareholder there should be no immediate tax consequences to a Shareholder other than a reduction in CGT cost base of the shares.

(b) Dividend

Any dividend component (including any deemed dividend component) paid by the Company on a Share will be assessable income of Australian resident Shareholders in the year of income in which it is paid.

A dividend may be unfranked or franked. To the extent that there is a dividend component of the Capital Return, this is expected to be unfranked.

7.4 Australian income taxation implications for Non-Resident Shareholders

(a) Return of capital

Where the Capital Return is classified as a return of capital for Australian tax purposes, if the capital reduction exceeds the cost base, then the Shareholder should realise a capital gain equal to the amount of the excess. Any capital gain arising to a Shareholder who is not a resident of Australia for Australian tax purposes should be disregarded, unless their shares constitute 'Taxable Australian Property', as defined for Australian income tax purposes.

Specifically, Taxable Australian Property includes interests held in an entity that satisfies both of the following two tests:

- non-portfolio interest test – holdings, on an associate inclusive basis, in the test entity of 10% or more at the time of disposal (or throughout a 12 month period within the period commencing 24 months before the time of disposal); and
- principal asset test – where the sum of the market values of the entity's assets that are taxable Australian real property exceeds the sum of the market value of its assets that are not taxable Australian real property (in this regard, mining rights are considered taxable Australian real property).

Any non-resident Shareholders who own 10% or more of the Shares (on an associate inclusive basis) should seek independent professional advice in relation to their own particular circumstances.

(b) Dividend

To the extent that the Capital Return is not confirmed to constitute a return of capital for Australian income tax purposes, the amount should be considered a dividend for Australian income tax purposes. To the extent any dividend components paid by the Company are unfranked, Australian dividend withholding tax should apply to the dividends. The rate of dividend withholding tax applied should be the lesser of 30% or the applicable rate in accordance with the specific Double Tax Agreement between Australia and the relevant foreign jurisdiction of the non-resident Shareholder.

8. PAYMENT DETAILS

If Resolution 1 is passed by Shareholders and the Directors determine that the Capital Return is to proceed, payment will be made to eligible Shareholders, being registered holders of Shares as at the relevant record date for each tranche of the Capital Return to be determined by the Directors in their absolute discretion.

How to provide your bank account details to the share registry

As with dividend payments, the payment of the Capital Return will be made by way of direct credit to a financial institution in Australia or New Zealand (including a bank, building society or credit union account).

Shareholders who have not already provided the share registry with their bank account details may complete the Direct Credit Payment Form, which is available from PointsBet's share registry, Computershare Investor Services Pty Limited, or provide their details online at www.computershare.com.au.

For enquiries, please contact Computershare Investor Services Pty Limited by calling the toll free number 1800 267 108, or if calling from outside Australia +61 3 9415 4053.

EXPLANATORY STATEMENT

9. ADVANTAGES AND DISADVANTAGES

9.1 *Advantages*

The Board is of the view that the proposed Capital Return has significant potential advantages, including but not limited to allowing the Company the flexibility to distribute, in an efficient manner, the proceeds of the Proposed Transaction and the majority of the Company's corporate cash reserves that will be surplus to the needs of the remaining business.

9.2 *Disadvantages*

The board is of the view that the proposed Capital Return has limited disadvantages. The Capital Return will reduce the amount of cash reserves held by the Company.

10. DIRECTORS' RECOMMENDATIONS

The Directors unanimously recommend that you vote in favour of Resolution 1.

11. DIRECTORS' INTERESTS

Mr Samuel Swanell, Group Chief Executive Officer and Managing Director, will receive the benefits described in Resolution 2 below as a result of the Capital Return.

No other Director will receive a payment or benefit of any kind as a result of the Capital Return.

As at the date of the Notice of Meeting, the Directors have an interest in the proposed Capital Return in common with other Shareholders, as they are Shareholders of the Company.

12. No other material information

Other than as set out in this Notice of Meeting (including the Explanatory Statement), and any other information previously disclosed to the Shareholders, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 1.

Resolution 2: Approval of Benefits to Specific Employees on Transfer of Undertaking or Property of the Company

Shareholders are asked to vote on whether:

- Mr Samuel Swanell, Group Chief Executive Officer and Managing Director;
- Mr Andrew Mellor, Group Chief Financial Officer; and
- Mr Andrew Hensher, Group General Counsel and Company Secretary,

(the **Executives**) should be entitled to receive benefits in the event of either the transfer of all or part of the undertaking or property of the Company in connection with the Proposed Transaction.

Why is Shareholder approval being sought?

Section 200C of the Corporations Act prohibits a company from providing a benefit to an employee in a managerial or executive office in connection with the transfer of the whole or any part of the undertaking or property of the Company.

Under the Corporations Act, the term "benefit" is broadly defined. If shareholder approval under section 200E of the Corporations Act is given, the prohibition under section 200C of the Corporations Act will not apply.

Each Executive is a member of the KMP and holds a managerial or executive office in the Company, with their remuneration details being included in the Company's Remuneration Report for the previous financial year ended 30 June 2022.

The Proposed Transaction represents a 'transfer of the whole or any part of the undertaking or property of the Company' for the purposes of Section 200C of the Corporations Act.

Effective 1 August 2022, the Executives were each granted performance share rights (**PSRs**) to acquire Shares in the Company for no cash consideration and otherwise on the terms of the Company's Key Employee Equity Plan (**Plan**) approved by Shareholders at the Company's 2020 Annual General Meeting.

EXPLANATORY STATEMENT

The number of PSRs granted to each Executive under the Plan is set out below:

Employee	PSRs
Mr Samuel Swanell	1,530,243
Mr Andrew Mellor	992,497
Mr Andrew Hensher	939,000

Summary of key terms of the Plan

A summary of the key terms and conditions of the Plan Rules is set out in the Company's 2020 Notice of Annual General Meeting lodged with ASX on 13 October 2020, which can be obtained from the ASX website (www.asx.com.au).

Under the terms of these PSRs a benefit may be received in the circumstances prescribed by section 200C of the Corporations Act as requiring Shareholder approval under section 200E of the Corporations Act.

Testing and vesting

The existing vesting conditions of the PSRs granted under the Plan are set out in **Schedule 2**.

The Path to Profitability Performance Condition was met for the year ending 30 June 2023, and as such, half of the Executives' Year 1 PSRs will vest in August 2023. In accordance with the conditions set out in Schedule 2, the remainder of the Year 1 PSRs which did not vest will remain on foot and will be capable of vesting based on the three-year compound Shareholder Return at the end of year three performance period.

Rationale for early vesting

The Board has determined that the Proposed Transaction is a 'transaction, event or state of affairs' which should be treated in accordance with Section 9 of the Plan Rules, providing the Board with discretion to determine the treatment of unvested PSRs following Shareholder approval of the Proposed Transaction (received on 30 June 2023).

The Board has made this determination on the basis that:

- The sale of the US Business has taken away the Executives' ability to achieve the performance criteria over the full term of the performance period.

- It is imperative that the sale of the US Business successfully completes. Failure to Complete the Proposed Transaction will have significant implications for the Company. Completion is estimated at this stage to occur in March 2024, with the Company contractually responsible for ongoing operation of the US Business until this date.
- It is imperative that the remaining PointsBet business (post-sale of the US Business) is set up for success. The successful separation of the US Business and, in particular the technology platform, will ensure that both Fanatics and the Company can fully exploit the technology assets into the future.
- Board discretion with regards to the treatment of unvested PSRs is a vital retention and motivation tool for all staff (in particular the Executives) to ensure a successful separation of the two businesses over a long transition period to March 2024.
- The strategy to shift focus away from expansion and growth towards maximising the amount of capital to be returned to Shareholders following the sale of the US Business was a deliberate course of action and in the best interests of Shareholders.

Details of the benefit requiring Shareholder approval

Shareholder approval is being sought to allow, upon the successful Completion of the sale of the US Business, the early vesting of a pro-rata number of PSRs granted to the Executives (calculated on time served between the commencement of the performance period (1 August 2022) and the expected completion of the Proposed Transaction (31 March 2024)) as set out below:

Employee	Pro-Rata PSRs
Mr Samuel Swanell	976,848
Mr Andrew Mellor	634,861
Mr Andrew Hensher	600,187

Early vesting of any PSR may entitle the relevant Executive to acquire the underlying Shares – or receive a payment of money instead.

EXPLANATORY STATEMENT

It is currently not possible to ascertain the value of the benefit to the Executives if the pro-rata amount of their PSRs were to vest early in these circumstances. The precise value will depend on the prevailing market price of the Shares that are the subject of the PSRs at the time of vesting. The table below sets out some illustrative examples of the value of the benefit based on various Share price scenarios:

PointsBet Share Price			
Employee	\$1.55	\$1.65	\$1.75
Mr Samuel Swanell	\$1,514,114	\$1,611,799	\$1,709,484
Mr Andrew Mellor	\$984,035	\$1,047,521	\$1,111,007
Mr Andrew Hensher	\$930,290	\$990,309	\$1,050,327

Directors' Recommendation

The Directors (with Mr Swanell abstaining) recommend that you vote in favour of Resolution 2.

EXPLANATORY STATEMENT

SCHEDULE 1

GLOSSARY

ADW means advanced deposit wagering (racing).

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

Board means the board of Directors of the Company.

Capital Return has the meaning given in Resolution 1.

Company or **PointsBet** means PointsBet Holdings Limited ACN 621 179 351.

Completion means completion of the Proposed Transaction following the Subsequent Completion, and **Complete** has the corresponding meaning.

Corporations Act means *Corporations Act 2001* (Cth)

Director means a director of the Company.

Fanatics means Fanatics Holdings, Inc.

First Capital Return means the first tranche of the Capital Return proposed to be implemented soon after the Initial Completion.

FBG means FBG Enterprises Opco, LLC, a subsidiary of Fanatics.

Initial Completion means the completion of the purchase and sale of the equity of the Initial Group Companies.

Initial Group Companies means the Company's subsidiaries operating in the U.S. states of Colorado, Iowa, Kansas, Maryland, Michigan, New Jersey, New York, Pennsylvania, Virginia, and Wyoming.

KMP means key management personnel (including the Directors) whose remuneration details are included in the Company's remuneration report.

Meeting means the shareholder meeting to consider the Resolutions.

Plan means Company's Key Employee Equity Plan approved by Shareholders at the Company's 2020 Annual General Meeting.

Proposed Transaction means the transaction under which the Company's US Business will be sold to FBG.

Proxy Form means the Proxy Form attached to this Notice of Meeting.

Resolutions means the resolutions set out in this Notice of Meeting.

Sale Agreement means the Stock and Equity Sale Agreement between the Company and FBG, as amended.

Second Capital Return means the second tranche of the Capital Return proposed to be implemented soon after the Subsequent Completion.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

Subsequent Completion means the completion of the purchase and sale of the equity of the Subsequent Group Companies.

US Business means the Company's United States online sports betting (including online ADW horse racing), iGaming and retail sports books (including horse racing) at land-based locations business, and the assets and operations used in and supporting such business, including those of the Banach software companies.

EXPLANATORY STATEMENT

SCHEDULE 2

PSR VESTING CONDITIONS

Condition 1 – Relative Shareholder Return (RSR)

Condition 2 – Path to Profitability (P2P)

Condition 3 – Service Based

Year 1 - 1 July 2023

One third of total PSRs are capable of vesting as follows:

- 50% based on Condition 1
- 50% based on Condition 2

Year 2 - 1 July 2024

One third of total PSRs are capable of vesting as follows:

- 33.33% based on Condition 1
- 33.33% based on Condition 2
- 33.33% based on Condition 3

Year 3 - 1 July 2025

One third of total PSRs are capable of vesting as follows:

- 25% based on Condition 1
- 25% based on Condition 2
- 50% based on Condition 3

Condition 1 – Relative Shareholder Return (RSR)

RSR performance is assessed at the end of each year of the three-year period which will commence at the start of the financial year during which the PSRs are granted. For PSRs to vest pursuant to the RSR vesting condition, PointsBet's compound shareholder return measured based on the movement in share price at the end of each year of the performance period (with 60-day smoothing) must be equal to or greater than the median ranking of constituents of the Peer Comparator Group.

The Peer Comparator Group, being constituents of the S&P/ASX300 Index (excluding the top 20 companies by market cap) (80% weighting) and a peer group of online wagering and iGaming operators in North America and Europe (being Draft Kings, Rush Street Interactive, Super Group (Betway), Entain Plc, Flutter Entertainment, 888 Holdings and Kindred) (20% weighting) will be defined at the commencement of the performance period and provides a relative, objective, external market-based performance measure against those companies with which PointsBet competes for capital, customers and talent. The percentage of PSRs that may vest is determined based on the following vesting schedule:

PBH Shareholder Return ranking relative to Peer Comparator Group	PSRs subject to Relative Shareholder Return vesting condition that vests (%)
Below the median ranking	0%
At the median ranking	50%
Above the median ranking but below the 75th percentile	Between 50% and 100% increasing on a straight-line basis
At or above the 75th percentile	100%

Where a the RSR vesting condition is not met or is partially met at the end of year one (i.e. PBH Shareholder Return is below the 75th percentile after 12 months) or year two (i.e. the compound PBH Shareholder Return is below the 75th percentile after 24 months) of the performance period, those PSRs which have not vested will remain on foot and will be capable of vesting based on the three year compound Shareholder Return at the end of year three performance period.

The Board may adjust the RSR vesting conditions to ensure that an Executive is neither advantaged nor disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. The Board may also exercise its discretion to ensure that the Shareholder Return vesting conditions are adjusted to reflect sustainable growth outcomes aligned to the interests of shareholders.

Condition 2 – Path to Profitability (P2P)

The P2P condition focuses on the path to profitability. As a growth company, it is accepted that PointsBet will need to invest in the present for success in the future.

However, the path (or speed) to profitability is a key focus for management.

One of the key drivers for profitability, and an area which investors and analysts focus, is marketing expense as a percentage of revenue. The P2P condition measures the reduction in marketing expense as a percentage of revenue compared to FY22, based on those states which were live for more than 12 months during the relevant vesting period.

P2P performance is assessed at the end of each year of the three-year period which will commence at the start of the financial year during which the PSRs are granted. For PSRs to vest pursuant to the P2P vesting condition, the reduction in PointsBet's marketing expense as a percentage of revenue compared to FY22 must be equal to or greater than the targets set by the Board at the start of the performance period.

EXPLANATORY STATEMENT

Given the sensitive nature of these targets, the P2P targets set by the Board for the performance period will be disclosed in the Remuneration Report published in respect of the year in which the P2P Condition is tested.

Where a P2P vesting condition is not met or is partially met at the end of year one (i.e. percentage point decrease is less than the set target after 12 months) or year two (i.e. percentage point decrease is less than the set target after 24 months) of the performance period, those PSRs which have not vested will remain on foot and will be capable of vesting based on the three year percentage point reduction at the end of year three performance period.

The Board may adjust the P2P vesting conditions to ensure that an Executive is neither advantaged nor disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. The Board may also exercise its discretion to ensure that the P2P vesting conditions are adjusted to reflect sustainable growth outcomes aligned to the interests of shareholders.


EXPLANATORY STATEMENT

SCHEDULE 3 PROXY FORM

POINTSBET

PointsBet Holdings Limited
ABN 68 621 179 351

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Melbourne time) on Sunday, 27 August 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is




For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

 **PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

For personal use only

EXPLANATORY STATEMENT

For personal use only

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of PointsBet Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of PointsBet Holdings Limited to be held at Baker McKenzie, Level 19, 181 William St, Melbourne, VIC 3000 and as a virtual meeting on Tuesday, 29 August 2023 at 10:00am (Melbourne time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention in step 2) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Return of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Benefits to Specific Employees on Transfer of Undertaking or Property of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3	/ /
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

Mobile Number	Email Address
<input type="text"/>	<input type="text"/>

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

