

PointsBet Appendix 4C and Investor Update

Melbourne, Australia, 31 July 2019 – PointsBet Holdings Limited (ASX:PBH) (“PointsBet” or the “Company”), an emerging Australian and US corporate bookmaker, is pleased to provide its maiden Appendix 4C Cash Flow Statement for the quarter ending 30 June 2019 (“Q4 19”) (unaudited).

Unaudited Highlights

- PointsBet continued its strong momentum reporting year-on-year growth across key performance metrics:

Year-On-Year			
Key metrics	FY19	FY18	% increase
Net win ¹	A\$28.2m	A\$10.3m	+ 174%
Net revenue ²	A\$25.6m	A\$9.4m	+172%
Registered Clients ³	123,180	34,779	+ 254%
Turnover ⁴	A\$567m	A\$165m	+ 244%

- PointsBet accepted more than 1 million individual bets in each of April, May and June 2019
- On 1 July 2019 PointsBet announced Hawthorne Racecourse (“Hawthorne”) as its market access partner in Illinois. Hawthorne is in close proximity to downtown Chicago (8.5 miles or 13.7 kilometres), the third largest urban area in the country. In addition, PointsBet will outfit and operate sportsbooks at three select OTB locations in Chicago
- Hawthorne is PointsBet’s fourth market access agreement in the US, following New Jersey, Colorado and Iowa, in addition to a second skin agreement to operate in New York⁵
- PointsBet increased its online turnover market share in New Jersey to 5.4% in June 2019, up from 2.2% in February 2019 (first full operational month)
- Continued investment in market-leading talent with former Aristocrat Leisure CTO Manjit Gombra Singh appointed President, Product and Technology, effective 29 July 2019
- The Company successfully raised A\$75m in an IPO in June 2019

¹ 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)

² Net 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

³ A Registered Client is a client who has opened an account with PointsBet

⁴ Turnover is the money a client puts at risk when they place a bet on an event

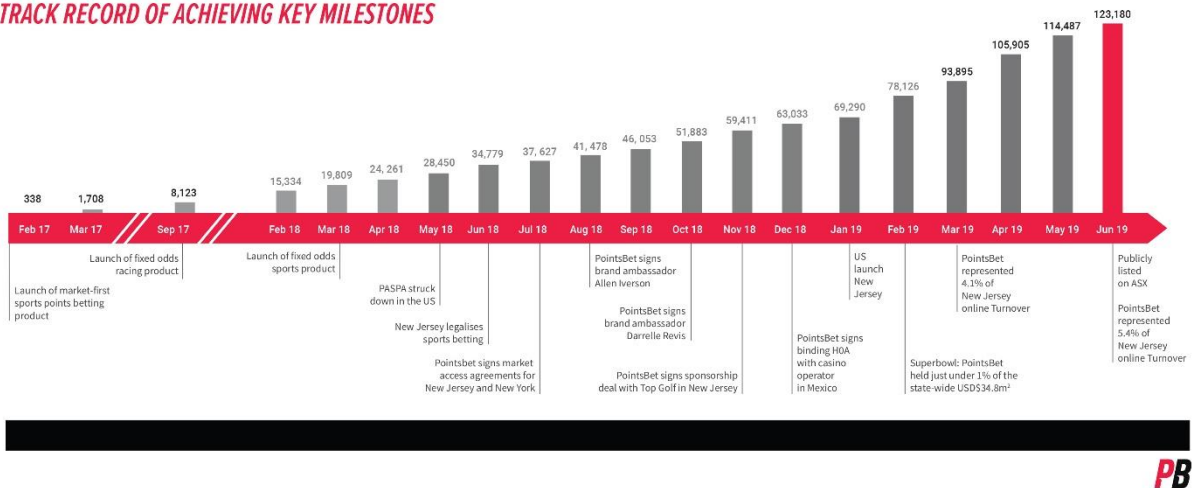
⁵ PointsBet has an agreement with American Racing and Entertainment, the owner of the Tioga Downs Casino Resort, to expand its operations as an online bookmaker in New York via an option to acquire its second licence or ‘skin’, pending the passage of enabling legislation.

Registered Client Growth and Key Milestones

The Company recorded a 254% increase in registered clients in the year ending 30 June 2019, up to 123,180 from 34,779 at 30 June 2018. Of these, 80,008 are active clients, meaning they have placed a bet in the last 12 months.

The following chart represents total Registered Clients in Australia and New Jersey:

TRACK RECORD OF ACHIEVING KEY MILESTONES



PointsBet Australia has continued to invest in brand positioning and awareness raising activities, including sponsoring the stadium name of National Rugby League team, the Cronulla Sharks, now known as PointsBet Stadium, and leveraging the growing popularity of US sports in Australia through a national advertising campaign utilising NBA legend Allen Iverson.

PointsBet US Market Access

As stated in the Company's prospectus, there is a significant market opportunity in the US, following a 2018 Supreme Court decision which enables individual states to introduce legislation permitting sports betting. PointsBet is well positioned to take advantage of this opportunity, with strong leadership, experienced management and scalable technology that has been well-developed in the sophisticated Australian wagering market.

The Company's scalable cloud-based technology platform, which uses a combination of proprietary internally developed software and technology, and irrevocably-licensed third-party software and technology, is key to unlocking the post-PASPA US market opportunity.

Since receiving a license to operate as an online bookmaker in New Jersey in H1FY19, PointsBet now has market access agreements in three additional States, being Illinois, Iowa, and Colorado. PointsBet also has a second skin agreement to operate in New York, subject to enabling legislation.

On 1 July 2019, PointsBet announced Hawthorne Racecourse as its market access partner in Illinois. Hawthorne Racecourse is one of the oldest racetracks in the United States and is



notable for its close proximity to downtown Chicago (8.5 miles or 13.7 kilometres), the third largest urban area in the country.

PointsBet anticipates it will begin accepting bets in Illinois at some point during the upcoming 2019/20 NFL season and in Iowa, where it announced a market access partnership in April 2019, in H1 FY20.

Corporate Update

PointsBet has recently appointed former Aristocrat Leisure CTO Manjit Gombra Singh as President, Product and Technology, further bolstering PointsBet's experienced management team.

The Company has increased its headcount in the US to 49 Full Time Equivalents (FTEs), who are currently based in its office in New Jersey. New Jersey, as the first market PointsBet has entered in the US, serves as the shopfront of the Company's broader US expansion. The Company plans to open a second US office in Denver, Colorado. In Australia, the Company has increased its headcount to 100 FTEs.

Net cash used in operating activities in the quarter ending 30 June 2019 was A\$11.1 million, in line with management's expectation, as PointsBet continued disciplined and focused marketing and promotional initiatives aimed at attracting and retaining clients in Australia and the US and hired staff to execute the Company's US strategy.

Investor Calendar

PointsBet intends to announce its FY19 results on 28 August 2019. Conference call details will be announced in due course.

Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of PointsBet. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

For further information

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About PointsBet

PointsBet is a corporate bookmaker with operations in Australia and the United States. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products. PointsBet's product offering includes Fixed Odds Sports, Fixed Odds Racing, and PointsBetting. PointsBet aims to provide more markets on the major sports than any other bookmaker.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

PointsBet Holdings Limited

ABN

68 621 179 351

Quarter ended ("current quarter")

30 June 19

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		7,368	28,235
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		(8,026)	(21,553)
(d) leased assets		(18)	(32)
(e) staff costs		(4,594)	(12,963)
(f) administration and corporate costs ¹		(7,666)	(20,716)
1.3 Dividends received (see note 3)			
1.4 Interest received		43	75
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		(17)	(17)
1.7 Government grants and tax incentives		-	781
1.8 Other (provide details if material)			
Net increase/(decrease) in Client Deposits ²		1,978	5,094
1.9 Net cash from / (used in) operating activities		(10,932)	(21,096)

¹ Includes Cost of Sales.

² Represents Net Movement in Client Deposits.

2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(1,439)	(2,040)
(b) businesses (see item 10)		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
	(c) investments	-	-
	(d) intellectual property ³	(1,257)	(13,975)
	(e) other non-current assets	-	(445)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,696)	(16,460)

³. Includes Capitalised Development Costs and Capitalised Market Access Costs.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	75,000	85,395
3.2	Proceeds from issue of convertible notes	-	23,106
3.3	Proceeds from exercise of share options	36	1,447
3.4	Transaction costs related to issues of shares, convertible notes or options	(3,483)	(3,483)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	71,553	106,465

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	18,796	7,540
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,932)	(21,096)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,696)	(16,460)

+ See chapter 19 for defined terms

1 September 2016

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	71,553	106,465
4.5	Effect of movement in exchange rates on cash held	(822)	(550)
4.6	Cash and cash equivalents at end of quarter	75,899⁴	75,899⁵

^{4/5} Cash and cash equivalents at the end of the quarter includes Client Deposits of 8,783,102.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	47,422	18,796
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) USD Term Deposits (various tenors between 1 and 3 months)	28,477	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	75,899	18,796

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included
in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in
items 6.1 and 6.2

**Current quarter
\$A'000**

198

-

Salary and Wages (inclusive of Superannuation and applicable taxes withheld) of Executive
Directors and Non-Executive Directors' Fees.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	391
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Payments made to Clarendon Lawyers Pty Ltd, the company's legal advisor, for legal services rendered in connection with the IPO and other corporate matters. Director Tony Symons is Managing Director and majority owner of Clarendon Lawyers Pty Ltd.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	26	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development ⁶	(1,118)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(9,264)
9.4 Leased assets	(13)
9.5 Staff costs	(7,849)
9.6 Administration and corporate costs	(10,255)
9.7 Other (provide details if material)	
US Business Development (Market Access and Retail Sportsbook fitout costs)	(9,140)
9.8 Total estimated cash outflows	(37,639)

⁶. Represents Capitalised Development Costs.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Sam Swanell Date: 31/7/19
(Director/Company secretary)

Print name: SAM SWANELL

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.