

## APPENDIX 4E

Final report for the year ended 30 June 2023

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

#### Results in accordance with Australian Accounting Standards

	2023 \$'000	2022 \$'000		
<b>Consolidated:</b>				
Revenue from ordinary activities	383,142	296,483	up	29%
Net loss attributable to members after tax	(276,313)	(267,689)	down	3%
<b>From continuing operations:</b>				
Revenue from ordinary activities	210,298	195,414	up	8%
Net loss attributable to members after tax	(107,880)	(20,584)	down	424%

	Normalised Result <sup>1</sup>		Statutory Result	
	\$'000	% Movement	\$'000	% Movement
<b>Consolidated:</b>				
Revenue from ordinary activities	383,142	29%	383,142	29%
(Loss) before interest, tax, depreciation and amortisation	(230,567)	6%	(243,065)	3%
Net loss attributable to members after tax	(272,576)	(2%)	(276,313)	(3%)
<b>From continuing operations:</b>				
Revenue from ordinary activities	210,298	8%	210,298	8%
(Loss) before interest, tax, depreciation and amortisation	(49,048)	(122%)	(56,951)	(117%)
Net loss attributable to members after tax	(51,346)	(79%)	(107,880)	(424%)

1. Normalised results have been adjusted to exclude the impact of significant non-recurring items and adjustments. The Group believes that the normalised results are the best measure of viewing the performance of the business. Normalised results are a non-IFRS measure. See Review of Operations section of Annual Report for details.

#### Dividends Paid and Proposed

	Amount per Security	Franked Amount per Security at 30% of Tax
<b>Ordinary Shares</b>		
2023 Interim (2022: NIL)	NIL	NIL
<b>2023 Final (2022: NIL)</b>	NIL	NIL

#### Dividend Reinvestment Plan

There was no dividend reinvestment plan in operation during the financial year.

**Loss per Share**

	<b>2023</b> <b>'000s</b>	<b>2022</b> <b>'000s</b>
Weighted average number of ordinary shares	306,078	255,424
<b>Consolidated:</b>		
Basic and Diluted (Loss) Per Share (cents)	(90.3)	(104.8)
<b>From continuing operations:</b>		
Basic and Diluted (Loss) Per Share (cents)	(35.3)	(8.1)

Options have been excluded from the above calculations in the current and previous year as their inclusion will be anti-dilutive.

**Net Tangible Assets Per Share**

	<b>2023</b> <b>'000s</b>	<b>2022</b> <b>'000s</b>
Number of shares	307,078	303,618
Net tangible assets per share	149.7 <sup>1</sup>	172.5

1. 2023 reported net tangible assets per share is reported on a deconsolidated balance sheet due to loss of control from the US and European entities.

**Control Gained or Lost Over Entities in the Year**

Control lost over US and European entities as detailed in Note 31 of the Financial Statements.

**Details of Associates and Joint Venture Entities**

Not Applicable.

**Commentary on the Results for the Year**

Refer to the commentary on the results for the year contained in the Review of Operations included within the Director's Report.

The Consolidated Statement of Profit or Loss and Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, and Consolidated Statement of Changes in Equity are included within the Annual Financial Report.

**Attachments**

The Annual Financial Report for PointsBet Holdings Limited for the year ended 30 June 2023 has been attached.

**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 cloudbased wagering platform through which it offers its clients innovative sports and racing wagering products, advance deposit wagering on racing (ADW) and iGaming.

For further information please contact:

**Stephen Forman**

Head of Investor Relations and Corporate Development  
stephen.forman@pointsbet.com

ANNUAL REPORT 2023



**POINTS**BET



## KEY DATES\*

### 28 NOVEMBER 2023

2023 Annual General Meeting

### 28 FEBRUARY 2024

Interim Results Announcement  
(6 months ending 31 December 2023)

### 30 AUGUST 2024

Full Year Results Announcement  
(12 months ending 30 June 2024)

\* Dates subject to change

## 2023 ANNUAL REPORT

This 2023 PointsBet Holdings Limited Annual Report for the financial year ended 30 June 2023 complies with reporting requirements and contains statutory financial statements.

This document is not a concise report prepared under section 314(2) of the Corporations Act. The PointsBet Group has not prepared a concise report for the 2023 financial year.

## 2023 ANNUAL GENERAL MEETING

The 2023 Annual General Meeting is anticipated to be held in 28 November 2023, unless otherwise notified. Details of the business of the meeting will be contained in the notice of Annual General Meeting, to be sent to shareholders separately.

## COMPANY PROFILE

PointsBet is a corporate bookmaker listed on the Australian Securities Exchange with operations in Australia, the United States, Canada and Ireland. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products, advance deposit wagering on racing (ADW) and iGaming. On 15 May 2023, the Company announced it was selling its US Business. The sale is expected to complete in March 2024.

For further information visit the Group's investors website at [investors.pointsbet.com.au](https://investors.pointsbet.com.au)

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# CHAIRMAN'S AND GROUP CEO'S LETTER

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Brett Paton and Sam Swanell

## Dear Shareholders

It's been a very busy year for the PointsBet team with the key event being the sale of our US Business to Fanatics for US\$225 million after an extensive, competitive process to evaluate the best outcome for shareholders.

## SALE OF US BUSINESS

The sale to Fanatics was validation and recognition of the value that our technology, established state market access, necessary partnerships and experienced team could bring to a strong brand and an extensive sports customer base with a fanatical interest in sport like the Fanatics.

Post the sale of the US business to Fanatics, we intend to distribute capital to shareholders of approximately A\$1.39 to \$1.44 per share. We expect to make the distribution over two tranches, with the first tranche of approximately A\$1.00 per share expected to be paid in mid-September 2023 and the remaining A\$0.39 to \$0.44 at close of the transaction.

The remaining company, PointsBet Holdings, post the completion of the sale of the US business, is currently expected to be at or around an EBITDA break even run rate, with the anticipation of growing group EBITDA in FY25. Importantly, the Company will continue to own the sports wagering and iGaming technology platform that is the backbone of both the Australian and Canadian businesses.

In addition, PointsBet will retain a perpetual licence to use and further develop the Banach technology assets at no cost. The need for capital to fund the US business which is a highly competitive and disparately regulated market, will stop.

The board determined that the sale was in the best interests of shareholders.

## FY23 REVIEW

### Group FY 2023 Net Win \$391million, up 26% vs PCP

Notwithstanding the sale of the US Business, for the 2023 financial year, total Group Net Win was \$391 million, growing 26% versus FY22.

The Company saw solid trading results from our US business, with sports betting Net Win increasing by 58% to \$117.3 million, US iGaming New Win grew 122% to \$43.8 million. For the 12 months to 30 June 2023, the US business had 276,875 Cash Active Clients, a 4% increase compared to the 12 months to 30 June 2022.

The Canadian business which launched only in April 2022, saw significant growth in sports betting Net Win to \$6.8 million and iGaming Net Win at \$11.5 million for total Net Win of \$18.3 million with 30,423 Cash Active Clients.

In Australia, the combination of the continued shift away from racing as a result of the softness in the online racing wagering industry, towards sports turnover has been offset by continued improvements in the efficiency of our client promotions capability, leading to a statutory EBITDA positivity.

As we look ahead to FY24, we are looking forward to delivering growth in Canada. The Company will maintain a top tier North American sports betting product, an exciting product roadmap and will continue to invest in our product and app experience for both our Australian and Canadian businesses, underpinned by OddsFactory.

### **NEW POINTSBET: SET UP FOR SUCCESS**

We are clearly excited about the future ahead of the New PointsBet.

Firstly, our proprietary tech stack is a global market leader as validated by our sale of the platform to the Fanatics. While we have sold a copy of the technology to the Fanatics, importantly we also get to keep the technology. That means we can develop and exploit it in a manner that creates the most value for PointsBet shareholders.

Secondly, we keep a copy of the Banach 'Oddsfactory' technology assets which drives our market leading in-play and same game parlay products and the cash out features used in all of our markets but particularly powerful in the North American live betting market.

Thirdly, we retain as part of an appropriately sized team the company's market leading technologists, traders and quants, based in Australia, Canada and India, led by our experienced management team.

Our Australian operation has a strategically important place in the Australian wagering market. We intend to continue to grow our online share in this market from a current solid 5% position with the benefit of a more focused approach from a people, and tech and product perspective.

We are equally excited in the outlook for our Canadian business.

The Canadian business provides shareholders continued exposure to the North American Market through a jurisdiction that is more attractive than most US states. The lower capital requirements and higher operating margins benefited from lower gaming tax relative to most US states create strong prospects for attractive future economics with additional provinces going live over the next two year. Our technology is a real competitive advantage in both markets.

We believe the early stage of the Canadian Business compliments our more mature Australian business, as well as providing an opportunity to leverage attractive features of our tech stack that aren't available in the Australian market such as iGaming, and online live betting.

We are also absolutely committed to responsible gambling. We have already implemented and continue to significantly invest in responsible gambling technology solutions that helps protect our customers. These include: setting deposit and spend limits, take a break functionality, and self-exclusion options. We are willing participants of the government inquiry into online gambling and its impact on those experiencing gambling harm. We believe this is an important area for the long term sustainability of the industry.

We would like to thank our fellow Directors and global staff for their support over a very busy past 12 months. We would also like to thank you, our shareholders, for your continued support. We look forward to delivering on the opportunities we see for the new PointsBet moving forward and growing shareholder value.

Yours sincerely,



**Brett Paton**  
Chairman



**Sam Swanell**  
Managing Director and Group CEO

# BOARD OF DIRECTORS



## **BWF PATON**

### **Non-Executive Chairman**

*B Ec Monash University,  
Chartered Accountant*

*Member of the Remuneration  
and Nomination Committee*

*Member of the Audit, Risk and  
Compliance Committee*

Mr Paton entered the finance industry in 1980 as a Chartered Accountant and after 23 years at UBS, retired from his role in 2008 as Vice Chairman, having run the UBS Equity Capital Markets business for 14 years.

Following this he was Vice Chairman of the Institutional Clients Group for Australia and New Zealand at Citigroup Inc for five years.

Over his years at UBS and Citigroup, Mr Paton's respective teams assisted and advised companies, governments and government agencies on capital raisings totalling approximately \$230 billion of equity.

Having served as a Non-Executive Director of Tabcorp and Chair of Audit and Risk for its demerged entity, Echo Entertainment, he has gained significant experience and valuable insights into the functions expected of ASX boards and companies in the Wagering Industry. Mr Paton has also served as a Council member of RMIT University where he chaired the Risk and Audit Committee and was also a foundation member of the ASX Capital Markets Advisory Panel.



## **SJ SWANELL**

### **Co-Founder, Managing Director and Group Chief Executive Officer**

*B Com Monash University*

Mr Swanell has substantial expertise and experience in the Wagering Industry including successfully managing the start-up of both tomwaterhouse.com and PointsBet.

For three years he was National Sales Manager with TOTE Tasmania responsible for all revenue channels including all retail and pub outlets. During his tenure, turnover and EBITDA increased 200%. This was followed by four years as Chief Operations Officer at tomwaterhouse.com, which involved responsibility for establishing and managing all functions of the business. tomwaterhouse.com grew rapidly to become a pre-eminent wagering brand in Australia until its sale to William Hill. Mr Swanell's experience also includes international consulting assignments across North America and Europe and related verticals such as online casino and poker.

Mr Swanell has a deep understanding of the critical areas required to produce and manage a successful Sportsbook, which has been instrumental in the establishment and growth of PointsBet.



## **BK HARRIS**

### **Independent Non-Executive Director**

*LLM, Gaming Law and Regulation  
UNLV William S. Boyd School of Law*

*Member, Audit, Risk and  
Compliance Committee*

*Member, Remuneration and  
Nomination Committee*

Mrs Harris is the former Chairwoman of the Nevada Gaming Control Board (NGCB) and a former Nevada State Senator. Representing Nevada's Ninth District, Mrs Harris Chaired the Senate Education Committee and was a member of the Senate Judiciary, Finance, Education, and Commerce, Labor & Energy Committees. Mrs Harris is also a former member of the National Council of Legislators from Gaming States (NCGLS), an association of lawmakers from across the United States, and formerly chaired the Responsible Gaming Committee and served as Treasurer. Mrs Harris is currently a Distinguished Fellow, Gaming & Leadership at the University of Nevada, Las Vegas International Gaming Institute (IGI), with an emphasis on the study of sports betting. The IGI works with regulators and other stakeholders worldwide to ensure they have the latest information, knowledge, and tools they need to analyse and improve gaming policies and regulation in their jurisdictions. Mrs Harris received her LL.M. in Gaming Law and Regulation from the UNLV William S. Boyd School of Law.



## **AP SYMONS**

### **Independent Non-Executive Director**

*B Com B Law University of  
Melbourne, Lawyer*

*Chair of the Remuneration and  
Nomination Committee*

*Member of the Audit, Risk and  
Compliance Committee*

Mr Symons has over 20 years' experience in corporate law and mergers and acquisitions, including four years with a global firm in Hong Kong.

Mr Symons is a Partner of Mills Oakley, and specialises in mergers and acquisitions and equity capital markets. His extensive experience spans a wide range of corporate transactions involving large foreign listed companies, private equity funds, Australian listed companies, large private companies and family offices across a range of industries. He regularly advises on and coordinates complex transactions, often across multiple jurisdictions, and is consistently recognised in peer review based industry publications as a leading M&A lawyer in Australia.





**PD McCLUSKEY**

**Independent Non-Executive Director**

*B Bus Swinburne University, Chartered Accountant  
Chair of the Audit, Risk and Compliance Committee  
Member of the Remuneration and Nomination Committee*

Mr McCluskey has been an insolvency and corporate reconstruction professional for 33 years. He has strong relationships within the Australian and international finance sectors. He has managed the conflicting agendas of diverse parties in large banking syndicates in some of the biggest restructuring assignments in Australia. He is currently a Special Advisor, Restructuring services at KPMG.

He was Managing Partner at Ferrier Hodgson's Melbourne office for 12 years. During his tenure at Ferrier Hodgson, Mr McCluskey had exposure to a broad range of industries due to his engagement and oversight of several corporate restructuring and insolvency projects and is recognised for his ability to manage and resolve complex matters.



**KM GADA**

**Independent Non-Executive Director**

*MBA, University of Chicago Booth School of Business. B.S. in Computer Science magna cum laude, The Ohio State University.  
Member of the Audit, Risk and Compliance Committee*

Ms Gada is a seasoned executive with expertise at the nexus of media, technology and digital business models.

She is currently Chief Executive Officer of Memories Group Limited, an unlisted public company providing market leading digital memorialization technology. She was previously Corporate Executive Director of Strategy at the Comcast Corporation in Philadelphia and a Principal at global management consulting firm Kearney in New York and leader of its Media and Entertainment practice.

Kosha is a sought-after television contributor, published writer and keynote speaker on topics at the nexus of the digital economy, public policy, and the cultural shifts ignited by these dynamics.



**MG SINGH**

**Non-Executive Director and President, Technology and Product**

*Master of Technology (Computer Science), University of Hyderabad*

Mr Singh was appointed as the Company's President, Technology and Product on 29 July 2019 and was appointed an Executive Director on 17 November 2020, transitioning to a Non-Executive Director on 30 June 2022. He is the former Chief Technology Officer and Executive Vice President of leading global gaming technologies provider Aristocrat Leisure Limited (ASX:ALL), and an industry veteran with a track record in delivering leading product and technology strategy for mobile, social and traditional casino gaming products.

Mr Singh is a published author and speaker on modern technology trends and has previously held senior leadership roles at International Gaming Technology (IGT), Juniper Networks and Sun Microsystems.

In recent years, Mr Singh founded, DruvStar, a cybersecurity company, and has helped several gaming and modern technology businesses as an advisor.



**WW GROUNDS**

**Independent Non-Executive Director**

*Building Certificate NSW TAFE  
Diploma in Financial Services AFMA*

Mr Grounds is a seasoned senior executive and board member with a successful track record of managing businesses across geographies and in diverse industry sectors, including highly regulated environments.

Mr Grounds is the former President and Chief Operating Officer of Infinity World Development Corp from 2008 to 2021, overseeing Dubai World's investments in CityCenter Las Vegas, Fontainebleau Miami and The Grand Los Angeles. He has also served as a Non-Executive Director of MGM Resorts International (NYSE:MGM) between 2013 and 2021, during which time PASPA was repealed and the BetMGM joint venture formed.

Mr Grounds is currently a Director of Consumer Portfolio Services (NASDAQ:CPSS) and Nevada Public Radio (KNPR) and is also a former Director of Remark Holdings (NASDAQ:MARK), as well as Fontainebleau Miami JV LLC, CityCenter Holdings LLC and Infinity World Development Corp.

# DIRECTORS' REPORT

for the 12 months ended 30 June 2023

The Directors present their report together with the financial statements of the Company and its subsidiaries (the Group) for the 12 months ended 30 June 2023 (the financial year). The information in this report is current as at 31 August 2023 unless otherwise specified.

This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the *Corporations Act 2001* (Cth) (the Act).

## REVIEW AND RESULTS OF OPERATIONS

A review of the operations of the Group for the financial year is set out in the Operating and Financial Review which forms part of this Directors' Report.

## FINANCIAL RESULTS

The reported result of the Group attributable to shareholders for the 12 months ended 30 June 2023 was a loss of \$276.3 million after providing for income tax (2022: loss of \$267.7 million after providing for income tax). Further details regarding the financial results of the Group are set out in the Operating and Financial Review and Financial Statements.

## DIVIDENDS

No dividends have been declared during the financial year (2022: \$0).

Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to the Company's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

## REMUNERATION REPORT

Details of the remuneration policies in respect of the Group's Key Management Personnel are detailed in the Remuneration Report which forms part of this Directors' Report.

## DIRECTORS' PARTICULARS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

The Directors of the Company throughout the financial year and up to the date of this report are:

Current Directors		
Director	Experience and other Directorships	Special Responsibilities
<b>BWF Paton</b> B Ec Chartered Accountant	Appointed Director in November, 2018 <ul style="list-style-type: none"><li>Chair, management company of Escala Partners</li><li>Former Chair, PLC Asset Management</li><li>Former Vice Chairman, UBS Equity Capital Markets</li><li>Former Vice Chairman, Institutional Clients Group ANZ, Citigroup</li><li>Former Director Tabcorp Holdings Limited</li></ul>	Non-Executive Chairman Member of each Board Committee
<b>SJ Swanell</b> B Com	Appointed Director in March, 2015 <ul style="list-style-type: none"><li>Former National Sales Manager, TOTE Tasmania</li><li>Former Chief Operations Officer, tomwaterhouse.com</li></ul>	Co-Founder, Managing Director and Group Chief Executive Officer
<b>AP Symons</b> B Com B Law	Appointed Director in September, 2016 <ul style="list-style-type: none"><li>Founder and Managing Director, Clarendon Lawyers</li><li>Director, Connected Communities Melbourne,</li><li>Director, Papunya Foundation</li></ul>	Chair, Remuneration and Nomination Committee  Member, Audit, Risk and Compliance Committee
<b>PD McCluskey</b> B Bus Chartered Accountant	Appointed Director in November, 2017 <ul style="list-style-type: none"><li>Special Adviser, Restructuring Services, KPMG</li><li>Former, Managing Partner, Ferrier Hodgson Melbourne</li></ul>	Chair, Audit, Risk and Compliance Committee  Member, Remuneration and Nomination Committee

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### Current Directors

Director	Experience and other Directorships	Special Responsibilities
<b>BK Harris</b> LLM, Gaming Law and Regulations	Appointed Director in November, 2019 <ul style="list-style-type: none"> <li>• Distinguished Fellow, Gaming &amp; Leadership, University of Nevada</li> <li>• Former Nevada State Senator</li> <li>• Former Chairwoman, Nevada Gaming Control Board</li> </ul>	Member, Audit, Risk and Compliance Committee  Member, Remuneration and Nomination Committee
<b>M Gombra-Singh</b> Master of Technology (Computer Science)	Appointed Director in November, 2020 <ul style="list-style-type: none"> <li>• Former Chief Technology Officer and Executive Vice President, Aristocrat Leisure Limited</li> <li>• Former, Senior Executive, IGT Juniper Networks and Sun Microsystems.</li> </ul>	Non-Executive Director
<b>KM Gada</b> MBA B.S. Computer Science	Appointed Director in May, 2021 <ul style="list-style-type: none"> <li>• CEO and Managing Director of Recastled LLC</li> <li>• Former Corporate Executive Director (Strategy), Comcast Corporation</li> <li>• Former Principal, Kearney</li> </ul>	Member, Audit, Risk and Compliance Committee
<b>WW Grounds</b> Diploma in Financial Services	Appointed Director in December, 2022 <ul style="list-style-type: none"> <li>• Non-Executive Director Consumer Portfolio Services, Inc</li> <li>• Former Non-Executive Director Remark Holdings, Inc</li> </ul>	Non-Executive Director

Details about the Directors' interests in the Company are set out in the Remuneration Report which forms part of this Directors' Report.

### DIRECTOR INDEPENDENCE

The Company's Board Charter sets out guidelines and thresholds of materiality to assist in considering the independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that Peter McCluskey, Tony Symons, Becky Harris, Kosha Gada and William Grounds are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment and is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Brett Paton, Sam Swanell and Manjit Gombra-Singh are not currently considered by the Board to be independent Directors given:

- in the case of Sam Swanell, his executive position;
- in the case of Manjit Gombra-Singh, having held an executive position with the Company within the last three years; and
- in the case of Brett Paton, his ownership interest in the Company.

The Board considers that each Director will add significant value given their considerable skills and experience and will bring objective and independent judgement to the Board.

## DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

The attendance of members of the Board at Board meetings and attendance of members of committees at committee meetings of which they are voting members is set out below.

### Meetings attended/held

Director	Board <sup>1</sup>
BWF Paton	17/17
SJ Swanell	17/17
AP Symons	17/17
PD McCluskey	17/17
BK Harris	16/17
M Gombra-Singh	17/17
K Gada	17/17
WW Grounds <sup>2</sup>	13/13

1. Meetings of the Audit, Risk and Compliance Committee and the Remuneration and Nominations Committee were held contemporaneously with Board meetings as required. Meeting include additional Board meetings held in conjunction with the sale of the US Business.
2. WW Grounds joined the Board on 13 December 2022.

## COMPANY SECRETARY

The Company Secretary is directly accountable to the Board, through the Chairman, for all governance matters that relate to the Board's proper functioning. During the financial year, the Group had the following Company Secretaries:

### AJ Hensher BA/LLB (Hons)

AJ Hensher joined the Company in January 2019 and was appointed as Company Secretary on 30 January 2019. Before joining the Company, Mr Hensher was Head of Legal and Regulatory Affairs at William Hill Australia and prior to that the GM, Company Secretarial and Corporate Counsel and Aristocrat Leisure Limited.

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year was the offering of innovative sports and racing betting products and services direct to clients via its scalable cloud-based technology platform.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the group during the financial year were as follows.

On 15 May 2023, the Group publicly announced the sale of PointBet's US and Ireland operations with the unanimous support of the Board of Directors. On 30 June 2023, the shareholders of the Company approved the plan to sell the business for USD \$225 million (AUD \$340.9 million). The sale of the US business is expected to be completed within a year from the reporting date and as of shareholder approval date control of operations is deemed to be lost and the operations discontinued. At 30 June 2023, the US operations were classified as discontinued operations and deconsolidated from the results. The business sold represents the entirety of the Group's US and Ireland operations. With the disposal of these operations the US trading segment is no longer presented in the segment note.

The Group raised \$1.0 million from the exercise of share options during the Reporting Period.

Except as outlined above and elsewhere in this Directors' Report, there were no significant changes in the state of affairs of the Group during the financial year.

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## EVENTS AFTER BALANCE DATE

Other than set out above, in the interval between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial reporting periods.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company. However, the Group believes there is significant scope to increase revenue and profitability from its business strategy over the long term.

## OPTIONS OVER SHARE CAPITAL

As at the date of this report there were 3,500,751 ordinary shares under option.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Group or any related body corporate.

Details of the Company's Employee Share Option Plan are disclosed in Note 23 to the financial statements.

## INDEMNITIES AND INSURANCE PREMIUMS

The Company's Constitution provides that the Company will indemnify each officer of the Company against any liability incurred by that officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties to the extent permitted by law.

An officer for the purpose of this provision includes any Director or Secretary of the Company or the Company's subsidiaries, executive officers or employees of the Company or its subsidiaries and any person appointed as a trustee by, or acting as a trustee at the request of, the Company, and includes former Directors.

In accordance with the Company's Constitution, the Company has entered into deeds of access, indemnity and insurance and deeds of indemnity for identity theft with each Director and nominated officers of the Company. No amount has been paid pursuant to those indemnities during the financial year to the date of this Directors' Report.

The Company has paid a premium in respect of a contract insuring officers of the Company and its related bodies corporate against any liability incurred by them arising out of the conduct of the business of the Company or in or arising out of the discharge of their duties. In accordance with normal commercial practices, under the terms of the insurance contracts, the details of the nature and extent of the liabilities insured against and the amount of premiums paid are confidential.

## ENVIRONMENTAL REGULATION AND SUSTAINABILITY

The Group endeavours to operate our business in ways that produce social, economic and environmental benefits for the Communities we serve in Australia and the United States.

The Directors understand that long term future success depends upon continuously improving our reputation and enhancing employee morale. We pay attention to the expectations of our employees and stakeholders, while respecting and serving our communities as best we can.

The Group has a small environmental footprint and as such our largest impacts come from our travel, energy and consumables. We take steps to improve our environmental impact.

There are no matters that the Directors consider need to be included in this report. The Group is not subject to the reporting requirements of either the Energy Efficiency Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company under section 236 of the Act nor has any application been made in respect of the Company under section 237 of the Act.

## AUDITOR

RSM continues in office in accordance with section 327 of the Act.

## NON-AUDIT SERVICES PROVIDED BY THE AUDITOR

The Company, with the prior approval of the Chair of the Audit, Risk and Compliance Committee, may decide to employ RSM, the Company's auditor, on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/ or the Group are important.

The Company has a Charter which specifies those non-audit services which cannot be performed by the Company auditor. The Charter also sets out the procedures which are required to be followed prior to the engagement of the Company's auditor for any non-audit related service. Details of the amounts paid or payable to the Company's auditor, for audit and non-audit services provided during the financial year, are set out in Note 26 to the Financial Statements.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services as set out in Note 25(a)(ii) to the financial statements is compatible with the general standard of independence for auditors imposed by the Act for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration is attached to this Directors' Report.

## LOANS TO DIRECTORS AND EXECUTIVES

No Director or KMP held any loans with the Company during the financial year.

## ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 as issued by the Australian Securities and Investments Commission. Amounts in the Director's Report and the Financial Statements have been rounded off to the nearest whole number of million dollars and one decimal place representing hundreds of thousands of dollars, or in certain cases, the nearest dollar in accordance with that class order.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.



**Brett Paton**  
Chairman

31 August 2023

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# AUDITOR'S INDEPENDENCE DECLARATION



## RSM Australia Partners

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of PointsBet Holdings Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink that reads 'BY Chan'.

**B Y CHAN**  
Partner

Dated: 31 August 2023  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.  
RSM Australia Partners ABN 36 965 185 036

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# REMUNERATION REPORT

This Remuneration Report for the 12 months ended 30 June 2023 (Reporting Period) forms part of the Directors' Report and has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth) (the Act).

## SECTION 1. REMUNERATION PHILOSOPHY

The Company's philosophy on remuneration is that Key Management Personnel (KMP) remuneration should be aligned with shareholder interests by providing levels of fixed remuneration and "at risk" pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy. It aims to achieve this by ensuring "at risk" remuneration is contingent on outcomes that grow and/or protect shareholder value and by aligning the interests of Senior Executives and shareholders by ensuring a suitable proportion of remuneration is received as a share-based payment.

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate of the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits.

The Remuneration and Nomination Committee recommends to the Board the remuneration packages for the Senior Executive team. It is intended that these will be reviewed annually. The Remuneration and Nomination Committee may seek external advice to determine the appropriate level and structure of the remuneration packages.

### Reporting Period Remuneration Review

As noted in the Remuneration Report for the 12 months ending June 2022, and the 2022 Notice of Annual General Meeting, following engagement and feedback from shareholders and governance advisors, the Company varied the terms of the Key Employee Equity Plan (Plan), effective 1 July 2022, for the CEO and his direct reports (Executives).

At the time, it was noted that continued expansion of the Company's business in the United States reinforced the need for the Company's remuneration structures to evolve and take into account global pay philosophies, particularly those in the technology industry. The Company's staff (at all levels, and in particular Executives) were increasing being targeted by competitors who offered attractive salary and equity incentive packages to entice them to move. As such, it was determined at the commencement of the Reporting Period that the structure of the Company's equity incentive plan needed to be structured to balance the need to retain key staff in the short term, while also aligning with the interests of shareholders over the longer term.

Further details about this LTI Plan in operation during the Reporting Period can be found in Section 4.3 of this Report.

## SECTION 2. REMUNERATION REPORT OVERVIEW

This Remuneration Report has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (the Act) for PointsBet Holdings Limited and its controlled entities (Group) for the year ended 30 June 2023.

This Report covers KMP of the Group, who are responsible for determining and executing the Group's strategy.

**Table 1: Non-Executive Directors and Executive KMP**

KMP	Position	Term as KMP
<b>Non-Executive Director</b>		
BWF Paton	Chair; Director	Full financial year
AP Symons	Director	Full financial year
PD McCluskey	Director	Full financial year
BK Harris	Director	Full financial year
K Gada	Director	Full financial year
M Gombra-Singh	Director	Full financial year
WW Grounds	Director	From 13 December 2022
<b>Executive Director</b>		
SJ Swanell	Group CEO and Managing Director	Full financial year
<b>Other KMP</b>		
AJ Mellor	Group Chief Financial Officer	Full financial year
AJ Hensher	Group General Counsel and Company Secretary	Full financial year

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## SECTION 3. SENIOR EXECUTIVE REMUNERATION PHILOSOPHY AND FRAMEWORK FOR FY23

### 3.1 Core principles

The following three core principles guide the Group's Senior Executive remuneration strategy and 'pay for performance' framework:

#### 1. Alignment to shareholder interests and value creation

Provide a common interest between Senior Executives and shareholders by aligning the rewards that accrue to management to PointsBet's performance.

#### 2. Market competitive

Be competitive in the markets in which PointsBet operates to attract, motivate and retain high calibre people. As the Company grew its footprint in the United States, the business was increasingly required to attract and retain leaders in the US market with technology and global management skills sets.

#### 3. Performance-based

Support the short, medium and long-term financial targets and business strategies of the Group as set out in the strategic business plans endorsed by the Board.

**Table 2: Elements of Executive KMP Remuneration**

Element	Fixed Remuneration	At Risk STI	At Risk LTI
<b>What does this component include?</b>	Base salary, superannuation and other benefits (such as relocation allowances).	Reward for strong individual and Group performance during the year.	Reward for longer-term Group performance during a three-year performance period.
<b>What does payment depend on?</b>	The skills, performance, experience and role of each individual. The Group has implemented moderate fixed remuneration relative to market capitalisation in favour of higher at-risk components.	Achievement of financial and non-financial key performance indicators (KPIs).	Achievement of financial and non-financial performance conditions.
<b>How is this component delivered?</b>	Cash.	Cash.	Performance share rights (PSRs) vesting in three-year tranches under Key Employee Equity Plan (KEEP).
<b>What is the purpose of this remuneration component?</b>	Providing ongoing remuneration in recognition of day-to-day accountabilities.	Motivate and reward excellent performance in the shorter term.	Historically one-off grants (options) and annual grants (PSRs) designed to attract executive talent into the organisation, motivate and reward excellent performance in the long term and provide a retention element whilst aligning with shareholder outcomes through the award of equity.

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## SECTION 4. SENIOR EXECUTIVE REMUNERATION IN THE REPORTING PERIOD

### 4.1 Fixed Remuneration

All Senior Executives receive fixed remuneration which includes cash and compulsory superannuation (for Australian-based Senior Executives). As appropriate, KMP receive additional support including accommodation allowances and travel. KMP do not receive retirement benefits beyond superannuation.

When determining the level of fixed remuneration for each role, the Group considers the remuneration levels offered at organisations from which it sources talent and to whom it could potentially lose talent. Typically, fixed remuneration for the Group's KMP is lower than the average of larger ASX listed companies given the focus on variable 'at-risk' remuneration.

#### Purpose and Link to Strategy

To pay a fix remuneration that (1) reflects the role, responsibilities, experience and knowledge of the individual; (2) is competitive with other employers with whom the Company competes for talent, including companies in our industry, other complex industries, companies of comparable size, and in the geographies in which the Company operates; and (3) allows the Company to attract and retain appropriate Executives to support the long-term interests of the Company.

### 4.2 Executive STI Awards Grated During the Reporting Period

The table below outlines the key terms and conditions applying to Senior Executive STI arrangements for KMP during the Reporting Period.






**Table 3: Description of Executive STI in the Reporting Period**

<b>Purpose and Link to Strategy</b>	To align a component of remuneration with the achievement of Company performance measured against predetermined annual financial and strategic objectives.
<b>Overview of STI During the Reporting Period</b>	STI arrangements are an at-risk component of executive remuneration involving the payment of a cash award if vesting conditions are met, including satisfaction of performance conditions.
<b>Performance Period</b>	STI awards are measures over the 12-month financial year. Any STI award payments are made after performance is tested at the end of the performance period.
<b>Performance Conditions</b>	<p>Payment of cash bonuses is discretionary and determined by the Board based on individual and business KPIs.</p> <p>Business KPIs may consist of financial and strategic components including EBITDA targets, revenue growth, customer acquisition and retention, product roadmap delivery and people and culture benchmarks.</p> <p>Individual KPIs consist of personal business goals which align the Group's strategies, as well as a compliance culture.</p> <p>The Board believes that having a mix of financial and non-financial KPIs will provide measurable financial performance criteria strongly linked to increased year-on-year shareholder value and encourage the achievement of personal business goals consistent with the Group's overall objectives.</p> <p>To be eligible for the STI, participants must be employees in good standing of the Company at the date on which the bonus is payable.</p>
<b>Measurement of Performance Conditions</b>	Performance against the KPIs is assessed annually by the Board on recommendations from the Remuneration and Nomination Committee after the end of the performance period as part of the broader performance review process for each KMP.
<b>Treatment on Cessation of Employment</b>	If a KMP ceases to be employed during the 12-month performance period in 'good leaver' circumstances, they may be entitled to a pro rata STI award unless the Board determined otherwise.

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## Business KPIs

The Business KPIs for the Reporting Period (and their outcomes) are set out below:

					
Priority	Grow locally, achieving global financial targets	Improve operation efficiency and profit	Delight our target customers	Deliver a reliable, innovative and relevant product	Re-establish our culture and overall employee value proposition
Area of Focus	Financial Performance	Operations	Customer Value	Product & Tech	People & Culture
Primary Metric	Net Revenue Growth (Budget driven)	Normalised EBITDA (Budget driven)	NPS and CPA/12 month value	Product Benchmarking and Roadmap completion	Engagement (survey driven)
Target	Achieve Group revenue growth target	Achieve EBITDA revenue growth target	Achieve targets in Aus, USA and Canada trading business	Deliver product roadmap globally to ensure local product priorities are delivered and product benchmark performance improved through FY23	Improved engagement
Proposed Weighting	25%	35%	20%	10%	10%
	Financial 80%			Non-Financial 20%	

A score of 100% will see the full Group bonus pool unlocked. A minimum score of 70% is required for the Board to determine that a bonus pool will be unlocked at the Group level for the performance period.

As set out below, the Company achieved a score of 71% and the Board determined to unlock 50% of the at target bonus pool.

KPI	Target	Result	Weighting	Score	Result
Revenue <sup>1</sup>	\$414.8 million	\$383.9 million	25%	0	0
EBITDA (normalised) <sup>2</sup>	(\$247.4 million)	(\$246.6 million) 5.7% outperformance after FX adjustments	35%	105.7%	37
Customer	Australia, USA, Canada and Technology had KPIs around delighting target customers.	85% of the combined targets were achieved	20%	85%	17
	<ul style="list-style-type: none"> <li>Australia focused on efficiently targeting the right types of clients with generosity.</li> <li>The US and Canada used Net Promoter Scores overlayed by the Group with Cost Per Acquisition(CPA) to 12-month value ratios.</li> <li>Technology was measured by delivering high quality roadmap items on time and on ensuring production incidents (downtime) achieved target.</li> </ul>				

1. Amounts shown represent revenue from continuing and discontinuing operations. Excludes any statutory adjustments such as fair value adjustments.

2. Amounts shown represent Earnings before interest, tax, depreciation and amortisation from continuing and discontinuing operations. Excludes any statutory adjustments and effects of significant items of income and expenses which may have an impact on the quality of earnings such as unrealised gains or losses on financial instruments, foreign exchange, impairment expenses, transaction costs, restructuring costs and performance related share based payments which are directly controllable by management in the ordinary course of business activities.

KPI	Target	Result	Weighting	Score	Result
<b>Product</b>	Each region had critical items on their roadmaps that would result in material improvements to the product. <ul style="list-style-type: none"> <li>Canada's key item was around sign-up to First Time Bettor (FTB) conversion which is critical for acquisition efficiency.</li> <li>Australia had initiatives across racing, generosity, account and sports.</li> <li>The USA's top priority was around the delivery of a new casino solution but was also assessed by the Group on progress around our critical Odds factory capability.</li> </ul>	<p>Canada – initiatives were delivered that saw the target achieved.</p> <p>Australia – 80% of racing, generosity and account items were delivered. 50% of sport items were delivered (noting resources had been redirected onto North American initiatives.</p> <p>USA – progress was impacted by M&amp;A discussions and ultimately the Fanatics deal.</p> <p>A blended score of 70% was achieved.</p>	10%	70%	7
<b>People</b>	Overall improvement of engagement	<p>Voluntary attrition – resignations reduced by 22% globally.</p> <p>Survey results were maintained or increased in 13 out of 16 areas.</p> <p>It was determined that given the M&amp;A speculation over the period and various due diligence processes/discussions that large amounts of the team were exposed to, Engagement performance was very strong.</p>	10%	100%	10
<b>Total</b>					<b>71</b>

### Percentage of STI Paid and Forfeited During the Reporting Period

Details of the STI outcomes during the Reporting Period are outlined in the table below.

**Table 4: Executive KMP STI Outcomes**

Executive KMP	Maximum STI Opportunity	\$ Value of STI Award Granted	% of Maximum STI Award Granted	% of Maximum STI Award Forfeited
SJ Swanell	100% of Base Salary (inc Super)	\$367,500	50%	50%
AJ Mellor	50% of Base Salary (inc Super)	\$118,750	50%	50%
AJ Hensher	50% of Base Salary (inc Super)	\$112,500	50%	50%

### 4.3 Executive LTI Awards

As noted in the Remuneration Report for the 12 months ending June 2022, following engagement and feedback from shareholders and governance advisors, the Company varied the terms of KEEP, effective 1 July 2022, for the CEO and his direct reports (Executives).

At the time, it was noted that continued expansion of the Company's business in the United States reinforced the need for the Company's remuneration structures to evolve and take into account global pay philosophies, particularly those in the technology industry. The Company's staff (at all levels, and in particular Executives) were increasingly being targeted by competitors who offered attractive salary and equity incentive packages to entice them to move. As such, it was determined at the commencement of the Reporting Period that the structure of the Company's equity incentive plan needed to be structured to balance the need to retain key staff in the short term, while also aligning with the interests of shareholders over the longer term.

Utilising the existing Plan Rules, a new long-term incentive (LTI) plan structure was established. Under the new LTI the number of PSRs to be granted to an Executive is determined by calculating the face value of PointsBet's shares and dividing the Executive's LTI Opportunity by the face value and rounding to the nearest whole figure. In determining the 'LTI Opportunity', the Board took into account the nature of the position, the context of the current market, the function and purpose of the long-term component and other relevant information.

The table below outlines the key terms and conditions applying to Senior Executive KEEP arrangements for the KMPs during the Reporting Period.

**Table 5: Description of KEEP**

<b>Purpose and Link to Strategy</b>	Long-term incentive compensation is designed to: (1) balance and align the interests of Executives and shareholders; (2) reward Executives for demonstrated leadership and performance aimed towards the creation of shareholder value; (3) increase equity holding levels; (4) align with competitive levels of compensation opportunity within our peer group; and (5) support in attracting, retaining and motivating Executives.
<b>Overview of Senior Executive KEEP Arrangements During the Reporting Period</b>	<p>Senior Executive KEEP awards are an at-risk component of executive remuneration involving grants of PSRs. They are used to attract and retain key executive talent to the organisation.</p> <p>Given the current global competitive environment for top technology and gaming executive talent, in particular in the United States and Europe, as a one off, at the commencement of the Reporting Period the Board, following consultation with remuneration advisors, determined to allocate 300% of an Executive's LTI Opportunity in the Reporting Period, effectively bringing forward the FY24 and FY25 grants to ensure that the Board's desired outcome of motivating and retaining the Executives over the next critical 12 to 36 months is achieved.</p> <p>The Group will continue to review its incentive arrangements on an ongoing basis to ensure they continue to meet the evolving needs of the Group.</p>
<b>Form of Awards</b>	<p>The Plan Rules permit the Company to grant PSRs, which are an entitlement to receive Company shares upon satisfaction of applicable conditions, subject to the terms of individual offers.</p> <p>PSRs are granted for nil consideration as they are part of a Senior Executive's remuneration.</p> <p>Each eligible participant is awarded a KEEP Cash Component as part of their annual total target remuneration (TTR).</p> <p>Typically, the KEEP Cash Component is then converted into PSRs based on the 5-trading day VWAP of Shares up to and including 30 June (the day before the start of the Performance Period). However, for the FY23 grant, the 5-trading day VWAP of Shares up to and including 17 June 2022 (the day before the announcement of the significant equity placement SIG Sports Investment Corp. (a member of the Susquehanna International Group of Companies)) was used to ensure that Executives were not adversely impacted by the placement.</p> <p>Each PSRs will convert into one fully paid ordinary share in the Company.</p> <p>Please refer to Table 12 for details of PSRs awarded during the Reporting Period.</p>

**Performance Period, Conditions and Vesting**

The vesting conditions will be tested at each vesting date. If the relevant vesting conditions are satisfied at the end a vesting date, then the relevant PSRs will vest.

The following vesting conditions applied to the FY23 grant.

Condition 1 – Relative Shareholder Return (**RSR**)

Condition 2 – Path to Profitability (**P2P**)

Condition 3 – Service Based

***Period 1 – 12 months ending 1 July 2023***

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

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

***Period 2 – 24 months ending 1 July 2024***

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

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

***Period 3 – 26 months ending 1 July 2025***

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

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

**Performance 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:

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Performance Period, Conditions and Vesting	PBH Shareholder Return ranking relative to Peer Comparator Group	PSRs subject to Relative Shareholder Return vesting condition that vests (%)
continued	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 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.

For Period 1 (12 months ending 1 July 2023), Performance Condition 1 was not achieved, however in accordance with the conditions set out above, the relevant Period 1 PSRs tested against Performance Condition 1 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.

### Performance 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.

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.

For the Reporting Period, the Company set a target of marketing expense as a percentage of revenue of 53% (being a reduction of 25% compared to the FY22 ratio of 78%, excluding new state launches). This ratio was achieved and as such, Performance Condition 2 was achieved for the 12 months to 30 June 2023 and 50% of the Period 1 PSRs will vest in late August 2023.

Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment.
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<b>Eligibility</b>	Offers may be made at the Board's discretion to employees of the Company (including the Executive Directors) and any other person that the Board determines to be eligible to receive a grant under the KEEP Plan.
<b>Offers under the KEEP Plan</b>	The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer performance rights in individual offer documents.  Offers must be accepted by the employee and can be made on an opt-in or opt-out basis.
<b>Cessation of employment</b>	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if the participating employee ceases employment.
<b>Clawback and preventing inappropriate benefits</b>	The Plan Rules provide the Board with broad "clawback" powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
<b>Change of control</b>	The Board may determine that all or a specified number of a participant's performance rights will vest or cease to be subject to restrictions on a change of control event or where there is a transaction, event or state of affairs which should be treated as a change of control event in accordance with the Plan Rules.
<b>Reconstructions and corporate actions</b>	The Plan Rules include specific provisions dealing with rights issues, bonus issues and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.
<b>Restrictions on dealing</b>	Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the Securities Dealing Policy.
<b>Other terms</b>	The KEEP Plan contains customary and usual terms of dealing with administration, variation, suspension and termination of the Plan.

During the Reporting Period, the Company's existing Employee Share Option Plan (ESOP) remained on foot, however no new equity grants were made under the ESOP.

Details of the number of Options which vested and lapsed during the Reporting Period can be found in Table 11.

Further details of the ESOP can be found in the Remuneration Report for the period ending 30 June 2021.

#### 4.4 Senior Executive Contracts

All KMP have a written Executive Service Agreement with the Group. The key terms of these agreements are set out below.

**Table 6: Key Terms of KMP Contracts**

<b>Duration</b>	In the case of AJ Hensher and AJ Mellor, ongoing term.  In the case of SJ Swanell, fixed term ending 30 June 2024. No later than 12 months prior to the end of the term, SJ Swanell and the Company will meet and agree (i) to extend the Employment Agreement at the end of the term (on terms to be mutually agreed); or (ii) that the Employment Agreement be terminated at the end of the term.
<b>Periods of Notice Required to Terminate</b>	In the case of: <ul style="list-style-type: none"> <li>• SJ Swanell, six months' notice of termination by the employee and twelve months' notice of termination by the Company;</li> <li>• AJ Mellor three months' notice of termination by the employee and six months' notice of termination by the Company; and</li> <li>• AJ Hensher, three months' notice of termination by the employee and six months' notice of termination by the Company.</li> </ul> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act. Shareholder approval was obtained prior to Listing for the provision of benefits on cessation of employment.</p>
<b>Restraints</b>	Non-compete and non-solicit restraints in Australia for each employee.



## SECTION 5. REMUNERATION GOVERNANCE

### 5.1 Overview

The following table represents the Group's remuneration decision making structure.

**Table 7: Remuneration Governance and Decision Making**

Board	
Review and approval.	
Exercise of discretion in relation to targets, goals or funding pools.	
Remuneration and Nomination Committee	
Board remuneration framework and policy.	
Senior Executive KMP and Non-Executive Director remuneration outcome recommendations.	
Management	Remuneration advisors
Proposals on executive remuneration outcomes.	
Implementing remuneration policies.	External and independent remuneration advice and information.

### 5.2 Board and Remuneration and Nomination Committee Responsibilities

Details of the composition and responsibilities of the Board and the Remuneration and Nomination Committee are set out in the Corporate Governance Statement (which forms part of this Annual Report).

### 5.3 Use of Remuneration Consultants

The Remuneration and Nominations Committee may seek and consider advice from external advisers from time to time to assist the Committee discharge its duties. Any advice from consultants is used to guide the Committee and Board, but does not serve as a substitute for thorough consideration by Non-Executive Directors.

Remuneration advisors may be engaged by the Chair of the Remuneration and Nominations Committee, however during the Reporting Period, no remuneration recommendations, as defined by the Act, were made by the remuneration advisors during the Reporting Period.

## SECTION 6. NON-EXECUTIVE DIRECTOR REMUNERATION

Details of the Non-Executive Directors of PointsBet Holdings Limited during the Reporting Period are provided in the Directors' Report.

### 6.1 Overview of Policy

In setting fee levels, the Remuneration and Nominations Committee, which makes recommendations to the Board, takes into account the demands and responsibilities associated with the Non-Executive Directors roles and the global scope and highly regulated environment in which the Group operates. The Board will continue to review its approach to Non-Executive Director remuneration to ensure it remains in line with high standards of corporate governance.

### 6.2 Components and Details of Non-Executive Director Remuneration

PointsBet is transforming into an expanding listed global business with scale, complexity and diversity, which has in turn significantly increased both Board and Committee workloads. In addition, recent developments in the corporate governance landscape are leading to increased expectations and demands of Non-Executive Directors on ASX boards.

Fees also reflect the regulatory requirements of the environment in which PointsBet operates, which imposes considerable demands on the Non-Executive Directors and their families who are required to disclose detailed personal and financial information and submit to interviews, including in foreign jurisdictions.

Non-Executive Directors are entitled to be reimbursed for all reasonable business-related expenses, including travel, as may be incurred in the discharge of their duties.

PointsBet does not make sign-on payments to new Non-Executive Directors and the Board does not provide for retirement allowances for Non-Executive Directors.

### 6.3 Aggregate Fee Pool and Director Fees

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Non-Executive Director. However, under the Constitution and the ASX Listing Rules, the total aggregate amount provided to all Non-Executive Directors for their services must not exceed in any financial year the aggregate amount approved by shareholders at the Company's general meeting. The amount has been fixed at \$1,500,000.00 per annum. As noted in the Notice of Meeting for the 2021 Annual General meeting, it is not intended that the full amount of the proposed maximum cap be used, but rather that it be set at a level to allow for growth in Non-Executive Director fees over time to reflect these increasing demands and responsibilities as well as recognition of the Company's increased complexity.

The annual Non-Executive Director fees agreed to be paid by the Company to:

- the Chairman is \$150,000 (inclusive of superannuation);
- each Australia Non-Executive Directors is \$105,000 (inclusive of superannuation); and
- each US Non-Executive Directors is US\$125,000;

In addition:

- the Chairperson of each Committee is paid an additional stipend of \$15,000/US\$15,000;
- each Committee Members is paid an additional stipend of \$10,000/US10,000; and
- each additional jurisdiction requiring probity for the Non-Executive Directors attracts additional stipend of A\$3,500/US\$3,500 per license (capped at A\$30,000/US\$30,000 per year).

## SECTION 7. STATUTORY REMUNERATION TABLES AND DATA

### 7.1 Details of Executive KMP remuneration

The following table reflects the accounting value of remuneration attributable to Executive KMP, derived from the various components of their remuneration. This does not necessarily reflect actual amounts paid to Executive KMP due to the conditional nature (for example, performance criteria) of some of these accrued amounts.

**Table 8: Statutory Executive KMP Remuneration Table**

Key Manager's Name/ Reporting Period		Short Term Benefits (\$)			Post Employment (\$)		Long-Term	Share-based <sup>4</sup>	Total	Performance Related
		Salary and Fees <sup>1</sup>	STI Cash Bonus <sup>5</sup>	Other Benefits <sup>2</sup>	Super-annuation/ Pension/ (401k)	Termination <sup>3</sup>	Long Service Leave	Options \$	\$	%
<b>Executive Director</b>										
SJ	2023	709,708	367,500	23,978	25,292	-	36,167	2,187,010	3,349,655	76%
Swanell	2022	676,432	175,000	85,999	23,568	-	23,434	819,440	1,803,874	45%
M	2023	-	-	-	-	-	-	-	-	-
Gombra-Singh	2022	479,271	25,834	117,858	76,244	129,169	-	705,287	1,533,664	46%
<b>Executive KMP</b>										
AJ	2023	449,708	118,750	11,119	25,292	-	12,146	1,871,344	2,488,358	80%
Mellor	2022	375,002	19,928	12,343	23,568	-	8,500	564,059	1,003,400	56%
AJ	2023	424,708	197,441	8,828	25,292	-	20,715	1,739,076	2,416,060	80%
Hensher	2022	350,003	18,678	11,578	23,568	-	8,644	293,979	706,451	42%
<b>Total KMP</b>	<b>2023</b>	<b>1,584,123</b>	<b>683,691</b>	<b>43,924</b>	<b>75,877</b>	<b>-</b>	<b>69,028</b>	<b>5,797,430</b>	<b>8,254,073</b>	<b>79%</b>
	2022	1,880,708	239,441	227,778	146,948	129,169	40,579	2,382,765	5,047,389	47%

1. Amounts shown as cash salary and fees include amounts sacrificed in lieu of other benefits at the discretion of the individual. To the extent that benefits are paid and subject to Fringe Benefits Tax (FBT), the above amount includes FBT.
2. Other benefits include the net movement of annual leave entitlement balance and non-monetary benefits which include insurance and travel costs, relocation costs, living away from home and expatriate related costs and associated FBT.
3. Amounts reflect accruals in connection with the termination of employment (inclusive of any accruals for payments in lieu of notice).
4. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation

granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executive KMP may ultimately realise should the equity instruments vest. An independent accounting valuation for each tranche of options at their respective grant dates has been performed. As a result of the sale of the US business under accounting standards the KEEP was deemed to have been cancelled and the expense not yet recognised for unvested KEEP was accelerated into the FY23 statement of income. The impact of this is not included in the above share-based amount.

5. Amounts include STI Cash bonus and other one off payments.

## 7.2 Details of Non-Executive Director remuneration

**Table 9: Details of Non-Executive Director remuneration for the Reporting Period**

Directors	Year	Short-term benefits (\$)		Post-employment benefits (\$)		Share-based <sup>4</sup>	Total \$	Performance Related
		Cash salary and fees <sup>1</sup>	Fees for extra services	Super-annuation <sup>2</sup>	Retirement benefits <sup>3</sup>	Options \$		%
BWF Paton	2023	154,546	–	16,421	–	–	170,967	–
	2022	166,281	–	16,628	–	–	182,909	–
AP Symons	2023	118,182	–	12,409	–	46,325	176,916	26%
	2022	123,389	–	12,339	–	33,717	169,445	20%
PD McCluskey	2023	118,182	–	12,409	–	46,325	176,916	26%
	2022	129,752	–	12,975	–	33,717	176,445	19%
BK Harris	2023	215,265	–	–	–	–	215,265	–
	2022	197,720	–	–	–	–	197,720	–
K Gada	2023	104,545	–	10,977	–	–	115,523	–
	2022	115,207	–	11,521	–	–	126,728	–
M Gombra-Singh <sup>5</sup>	2023	180,769	–	–	–	469,458	650,227	72%
	2022	–	–	–	–	–	–	–
WW Grounds <sup>6</sup>	2023	100,518	–	–	–	–	100,518	–
	–	–	–	–	–	–	–	–
Total	2023	992,007	–	52,216	–	562,107	1,606,330	35%
	2022	732,349	–	53,463	–	67,435	853,247	8%

1. Amounts shown as cash salary and fees includes the additional stipend for licensure applications and renewals and amounts sacrificed in lieu of other benefits at the discretion of the individual. To the extent that any non-monetary benefits are subject to Fringe Benefits Tax (FBT), amounts shown include FBT.

2. Superannuation contributions include amounts required to satisfy the Group's obligations under applicable Superannuation Guarantee legislation.

3. Non-Executive Directors are not entitled to any retirement benefit.

4. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executive KMP may ultimately realise should the equity instruments vest. An independent accounting valuation for each tranche of options at their respective grant dates has been performed.

5. Reflects M Gombra-Sings Non-Executive Director fees from 1 July 2022.

6. WW Grounds commenced on 13 December 2022.

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### 7.3 Share-based Compensation

The terms and conditions of each grant of options issued by 30 June 2023 over ordinary shares affecting remuneration of Non-Executive Directors and other Executive KMP in this Reporting Period or future reporting periods are as follows:

**Table 10: Options on Issue**

Name	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price (\$)	Fair value per option at grant date (\$)
<b>Non-Executive Directors</b>						
AP Symons	31,440	30 Jan 2019	30 Jan 2024	30 Jan 2025	0.234	1.27
PD McCluskey	31,440	30 Jan 2019	30 Jan 2024	30 Jan 2025	0.234	1.27
M Gombra-Singh	390,625	29 Aug 2019	30 Jan 2022	30 Jan 2024	1.671	1.25
	354,077	29 Aug 2019	30 Jan 2023	30 Jan 2025	1.671	1.37
	100,000	6 Jan 2020	6 Jan 2023	6 Jan 2025	3.714	2.44
	100,000	6 Jan 2020	6 Jan 2023	6 Jan 2026	3.714	2.44
<b>Executive Directors</b>						
SJ Swanell	628,792	30 Jan 2019	30 Jan 2023	30 Jan 2024	0.234	1.20
	628,792	30 Jan 2019	30 Jan 2024	30 Jan 2025	0.234	1.27
<b>Other KMP</b>						
AJ Mellor	78,559	30 Jan 2019	30 Jan 2022	30 Jan 2024	0.234	1.20
	78,559	30 Jan 2019	30 Jan 2023	30 Jan 2025	0.234	1.27
	294,579	28 Jun 2019	30 Jan 2022	30 Jan 2024	1.071	1.80
	277,619	28 Jun 2019	30 Jan 2023	30 Jan 2025	1.071	1.92
AJ Hensher	71,428	28 Jun 2019	30 Jan 2022	30 Jan 2024	1.071	1.80
	71,428	28 Jun 2019	30 Jan 2023	30 Jan 2025	1.071	1.92

The number of options over ordinary shares in the Company held during the Reporting Period by each Non-Executive Director and other members of the Executive KMP of the Group, including their personally related parties, is set out below:

**Table 11: Movement in Options**

Name	Balance at 1 July 2022	Granted	Exercised	Expired/forfeited/other	Balance at 30 June 2023
<b>Non-Executive Director</b>					
AP Symons	125,759	–	94,319	–	31,440
PD McCluskey	62,880	–	31,440	–	31,440
M Gombra-Singh	1,413,452	–	140,857	327,893	944,702
<b>Executive Director</b>					
SJ Swanell	2,515,169	–	1,257,585	–	1,257,584
<b>Other KMP</b>					
AJ Mellor	729,396	–	–	–	729,396
AJ Hensher	300,054	–	157,198	–	142,856

**Table 12: Movement in PSRs**

Name	Balance at 1 July 2022	Granted	Exercised	Expired/ forfeited/other	Balance at 30 June 2023
<b>Non-Executive Director</b>					
M Gombra-Singh	82,249	–	26,691	–	55,558
<b>Executive Director</b>					
SJ Swanell	35,493	1,516,945	4,449	–	1,547,989
<b>Other KMP</b>					
AJ Mellor	72,359	980,339	24,022	–	1,028,676
AJ Hensher	52,545	928,742	16,014	–	965,273

**SECTION 8. EXECUTIVE KMP REMUNERATION RECEIVED**

The amounts disclosed in Table 13 below as Executive KMP remuneration for the Reporting Period reflect the actual benefits received by each KMP during the Reporting Period. The remuneration values disclosed below have been determined as follows:

**Fixed remuneration**

Fixed remuneration includes base salaries received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such as sign-on bonuses or termination benefits.

Fixed remuneration excludes any accruals of annual or long-service leave.

**Short-term incentives**

The cash STI benefits represent the bonuses that were awarded to each KMP in relation to Reporting Period.

**Long-term incentives**

The value of vested and exercised LTI was determined based on:

- Options – the intrinsic value of the options at the date of exercise, being the difference between the share price on that date and the exercise price payable by the KMP.
- Performance Share Rights – the share price on that date the underlying shares were issued.

**Table 13: Actual Remuneration Received**

	Fixed Remuneration (\$)	Awarded STI (\$)	Vested and Exercised LTI <sup>1</sup> (\$)	Other Benefits (\$)	Total Value (\$)
<b>Executive Director</b>					
SJ Swanell	709,708	175,000	3,163,697	23,978	4,072,383
AJ Mellor	449,708	19,928	65,819	11,119	546,573
AJ Hensher	424,708	103,618	222,455	8,828	759,609
<b>Total Executive KMP Remuneration</b>	<b>1,584,123</b>	<b>298,547</b>	<b>3,451,971</b>	<b>43,924</b>	<b>5,378,565</b>

1. On 4 July 2022, SJ Swanell exercised 1,257,585 employee options (issued 30 January 2019 and expiring 30 January 2023) for \$0.234 per option. The share price at the date of exercise was \$2.74. On 20 June 2023, AJ Hensher exercised 157,198 employee options (issued 30 January 2019 and expiring 30 January 2023) for \$0.234 per option. The share price at the date of exercise was \$1.37.

The amounts disclosed in Table 13 above are not the same as the remuneration expensed in relation to each KMP in accordance with the accounting standards (see Table 8). The directors believe that the remuneration received is more relevant to users for the following reasons:

- The statutory remuneration expensed is based on historic cost and does not reflect the value of the equity instruments when they are actually received by the KMPs.
- The statutory remuneration shows benefits before they are actually received by the KMPs.

- Where options do not vest because a market-based performance condition is not satisfied (e.g. an increase in the company's share price), the Company must still recognise the full amount of expenses even though the KMPs will never receive any benefits.
- Share-based payment awards are treated differently under the accounting standards depending on whether the performance conditions are market conditions (no reversal of expense) or non-market conditions (reversal of expense where shares fail to vest), even though the benefit received by the KMP is the same (nil where equity instruments fail to vest).

The information in this section has been audited together with the rest of the Remuneration Report.

## SECTION 9. SHAREHOLDINGS

### 9.1 Movement in Shares

The number of shares (excluding those unvested under the LTI plan) in the Company held during the year ended 30 June 2023 by each Non-Executive Director and Executive KMP, including their personally related entities, are set out below. No amounts are unpaid on any of the shares issued.

Where shares are held by the Director or Executive KMP and any entity under the joint or several control of the Director or Executive KMP, they are shown as 'beneficially held'. Shares held by those who are defined by AASB 124 Related Party Disclosures as close members of the family of the Director or Executive KMP or are held through a nominee or custodian are shown as 'non-beneficially held'.

The following sets out details of the movement in shares in the Company held by Non-Executive Directors or their related parties during the year:

**Table 14: Details of Non-Executive Director shareholdings**

	Type	Non-Executive Directors			
		Balance at 1 July 2022	Options vested and exercised	Other net changes during the year	Balance as at 30 June 2023
<b>BWF Paton</b>	Beneficially held	15,233,257	–	–	15,233,257
	Non-beneficially held	264,848	–	–	264,848
<b>AP Symons</b>	Beneficially held	233,443	94,319	–	327,762
	Non-beneficially held	506,659	–	–	506,659
<b>PD McCluskey</b>	Beneficially held	438,636	–	–	438,636
	Non-beneficially held	62,879	31,440	–	94,319
<b>K Gada</b>	Beneficially held	–	–	–	–
	Non-Beneficially held	4,735	–	–	4,735
<b>BK Harris</b>	Beneficially held	7,020	–	–	7,020
	Non-beneficially held	–	–	–	–
<b>M Gombra-Singh</b>	Beneficially held	205,000	158,823	–	363,823
	Non-Beneficially held	–	–	–	–
<b>WW Grounds</b>	Beneficially held	–	–	–	–
	Non-Beneficially held	–	–	–	–

All equity instrument transactions between the Non-Executive Directors, including their related parties, and PointsBet during the year have been on arm's length basis.

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The following sets out details of the movement in shares in the Company held by Executive KMP or their related parties during the year:

**Table 15: Details of Executive KMP shareholdings not held under an employee share plan**

		Executive Directors and other Executive KMPs			
Type		Balance at 1 July 2022	Options vested and exercised	Other net changes during the year	Balance as at 30 June 2023
SJ Swanell	Beneficially held	–	1,262,034	–	1,262,034
	Non-beneficially held	2,583,921	–	–	2,583,921
AJ Mellor	Beneficially held	–	24,022	–	24,022
	Non-beneficially held	75,842	–	–	75,842
AJ Hensher	Beneficially held	–	173,212	(16,014)	157,198
	Non-beneficially held	–	–	–	–

Other than share-based payment compensation effected through an employee share option plan, all equity instrument transactions between Executive KMP, including their related parties, and PointsBet during the year have been on arm's length basis.

## 9.2 Loans with KMP

No KMP or their related parties held any loans from the Group during or at the end of the year ended 30 June 2023 or prior year.

## 9.3 Other KMP Transactions

M Gombra-Singh, a Non-Executive Director, is the founder, owner and director of Arete Security Inc d/b/a Druvstar, the Company's managed security provider. During the Reporting Period, the Company paid a total of \$3,024,704 for managed security provider services to Druvstar.

K Gada, a Non-Executive Director, is the founder and principal of Recastled, a media and technology advisory firm. During the Reporting Period, the Company paid a total of \$64,460 for strategic advisory services to Recastled.

# REVIEW OF OPERATIONS

## SALE OF THE US BUSINESS

On 15 May 2023, the Group publicly announced the sale of PointBet's US and Ireland operations with the unanimous support of the Board of Directors. On 30 June 2023, the shareholders of the Company approved the plan to sell the business for USD \$225 million (AUD \$340.9 million), and as of shareholder approval date control of these operations is deemed to be lost and the operations discontinued.

As such, at the reporting date:

- The US and Ireland operations were classified as discontinued and deconsolidated from the results.
- Continuing operations represents the operations in Australia, Canada, and India.
- Consolidated results represent the total of the continuing operations and the discontinued operations.

## KEY PERFORMANCE INDICATORS

PointsBet reported strong growth across the following key metrics:

### FY23 Sports Betting Performance (A\$M)<sup>1</sup> – Consolidated

Key metrics – Sports Betting	FY23	FY22	Change vs PCP
<b>Turnover/Handle<sup>2</sup></b>	<b>5,744.6</b>	<b>5,006.3</b>	<b>+15%</b>
Australia	2,632.6	2,536.4	+4%
USA	2,917.2	2,454.0	+19%
Canada	194.8	16.0	+1,120%
<b>Gross Win Margin</b>	<b>9.0%</b>	<b>9.9%</b>	<b>(1.0pp)</b>
Australia	11.7%	13.3%	(1.6pp)
USA	6.7%	6.5%	+0.2pp
Canada	6.4%	4.2%	+2.2pp
<b>Gross Win<sup>3</sup></b>	<b>516.0</b>	<b>497.8</b>	<b>+4%</b>
Australia	309.1	338.4	(9%)
USA	194.5	158.7	+23%
Canada	12.4	0.7	+1,758%
<b>Net Win Margin</b>	<b>5.8%</b>	<b>5.8%</b>	<b>+0.1pp</b>
Australia	8.0%	8.5%	(0.5pp)
USA	4.0%	3.0%	+1.0pp
Canada	3.5%	(3.0%)	+6.5pp
<b>Net Win<sup>4</sup></b>	<b>335.8</b>	<b>289.1</b>	<b>+16%</b>
Australia	211.7	215.4	(2%)
USA	117.3	74.1	+58%
Canada	6.8	(0.5)	n.m.

1. The AUD:USD and AUD:CAD foreign exchange rates used for the figures in the table are the average rate for the specified period.

2. Turnover/Handle is the dollar amount wagered by clients before any winnings are paid out or losses incurred.

3. 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.

4. 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).



## FY23 NET WIN SUMMARY (A\$M)

Consolidated operations	FY23	FY22	Change vs PCP
Net Win – Sports Betting	335.8	289.1	+16%
Net Win – iGaming	55.3	20.4	+172%
Net Win – Total	391.1	309.4	+26%

Continuing operations	FY23	FY22	Change vs PCP
Net Win – Sports Betting	218.5	214.9	2%
Net Win – iGaming	11.5	0.7	1,652%
Net Win – Total	230.0	215.6	7%

### Australia

Revenue<sup>1</sup>: \$192.1 million

EBITDA: \$0.1 million

#### Review of performance

- Turnover increased 4% compared to the PCP, with Sports turnover increasing by 47% compared to the PCP, offsetting declines in Racing turnover, driven by softness in the Australian Online Racing industry experienced post COVID.
- Promotions efficiency continued to improve at 31.5% of Gross Win vs 36.3% in PCP, enabled by tokens, personalisation and data science.
- Net Win decreased 2% compared to the PCP. Improvements in Promotion efficiency offset the decline in Gross Win of 9% vs the PCP.
- Net Win growth in key sports in FY23 – AFL & NRL, up +86% vs PCP; Tennis & Soccer, up +53% vs PCP, enabled by product enhancements such as Same Game Multi powered by OddsFactory, and ITF Tennis.
- Mass market client base delivered Net Win growth of 15% compared to the PCP, offsetting the volatile VIP segment.
- FY23 Marketing expense was flat vs FY22.
- Whilst the Australian business reported its fourth straight year of reported EBITDA, EBITDA decreased vs the PCP. This can be attributed to:
  - Cost of goods sold – increased Points of Consumption Taxes in NSW and Queensland introduced throughout the year; and
  - Employee Benefits – costs increase due to increase in headcount compared to the PCP.

### Canada

Revenue: \$18.2 million

EBITDA: (\$35.8 million)

#### Review of performance

- The Canadian business went live in April 2022. FY23 was the first full year of operations.
- Total sportsbook turnover was \$194.8 million driven primarily by NBA, NFL, Tennis, MLB, NHL and FIFA World Cup.
- In-play mix of sportsbook handle grew to 63% in FY23, up from 53% in the PCP.
- Sportsbook Gross Win margin improved to 6.4% compared to 4.2% in the PCP.
- Sportsbook Gross Win was \$12.4 million and Net Win came in at \$6.8 million, whilst iGaming delivered \$11.5 million in Net Win.
- Cash actives in the 12 months to June 30, 2023 grew to 30,423.
- Marketing expense for FY23 was \$29.3 million as the business continued to build up its position in the market.

1. Revenue in Australia is Net Win less GST.

## USA

### Review of performance

- At the end of FY23, PointsBet was operational in 14 online sports betting states, 4 online casino states, had a retail sports betting footprint across 3 states and an ADW racing business.
- September 2022 saw the launch of PointsBet's online sports betting product into Kansas and Louisiana, with Maryland following in November 2022. Maryland Retail Sportsbook also went live in September 2022.
- Sportsbook Gross Win was \$194.5 million and Net Win came in at \$117.3 million. Sportsbook promotions represented a smaller proportion of gross win compared to the PCP.
- Casino delivered \$43.8 million in Net Win, up 122% compared to the PCP, driven by cross-sell and direct-to-casino acquisition.
- Net Win margins improved to 4.0% compared to 3.0% in the PCP.
- Consolidated net win was \$161.1 million while net revenue of \$170.7 million is inclusive of B2B revenues associated with powering Resorts World's New York mobile sports wagering services.
- On 30 June 2023, the sale of PointsBet's US business to Fanatics Betting and Gaming (FBG) was approved for US\$225 million.

### Corporate

- Corporate administrative costs (Board, Finance, Legal, Human Resources, Property and other central functions) are costs that cannot be readily allocated to individual operating segments and are not used by the CODM (Chief Operating Decision Maker) for making operating and resource allocation decisions.
- On 30 June 2023, the sale of PointsBet's US business to Fanatics Betting and Gaming (FBG) was approved for US\$225 million.
- The FBG Transaction will incorporate a two-stage completion, with US\$175 million to be received at the Initial Completion and US\$50 million to be received at the Subsequent Completion.
- The PointsBet Board estimates the distributed of capital to be approximately A\$1.39 to A\$1.44 per share in total (Proposed Distribution). The Proposed Distribution of capital is expected to be made over two tranches, with each tranche following shortly after each completion payment. The Company has commenced the necessary process to facilitate the Proposed Distribution in the coming months, with the first tranche of approximately A\$1.00 per share expected to be paid mid-September 2023.

## IN-HOUSE PRODUCT AND TECHNOLOGY DEVELOPMENT

- **Improved discoverability and navigation** – Launching a new homepage and better market layouts in Australia across all major sports.
- **Improved accessibility and personalised interface** – Launching the dark and light modes and faster and intuitive player search.
- **Enhanced Player Experience**
  - Launched a tipping Hub and included video previews, added pre-packaged same game and same race multis.
  - Launched Live Bet tracker for MLB, NBA, and NFL.
- **Improved Sports**
  - Launched a new NRL Same Game Multi offering.
  - Launched Live Bet tracker for NBA and MLB.
  - Introduced betting live stats on player props for NBA, MLB, NFL.
  - Launched a new Soccer Product to coincide with the men's and women's soccer world cup including launching Same Game Multi and an increased market offering.
  - NFL and MLB lightening bets.
  - NBA and MLB inlay player props.
- **Improved Racing**
  - Built International Same Race Multi.
- **Upgraded Gratuities**
  - New bonusing capability, which included personalised Racing payback tokens, SGM payback tokens, Power Hour, and a much-improved automation and personalisation capability.
  - A new capability with the ability cash-out on Same Game Multi bets including heavily in our cashout engine.

- **Globalisation of Same Game Multi+**
  - Went live with Same Game Multi+ in America and Canada.
- **More Payment Gateways**
  - Launch of Apple pay in Australia.
- **Improved iGaming Product**
  - Casino Lobby 3.
  - H5G, NetEnt Integrations.
  - SGI FreeSpins Campaigns.

## PERFORMANCE SUMMARY

### Profit and Loss – Continuing Operations

The profit and loss below reflects continuing operations for Australia, Canada and India. The PCP has been restated to reflect comparable results.

A\$m	FY23	Restated FY22
<b>Continuing operations</b>		
Revenue	210.3	195.4
Cost of sales	(104.6)	(94.9)
<b>Gross profit</b>	<b>105.7</b>	<b>100.5</b>
Other income	–	0.20
<b>Expenses</b>		
Sales and marketing expense	(90.3)	(74.2)
Employee benefits expense	(48.5)	(33.4)
Product and technology expense	(14.0)	(9.8)
Administration and other expenses	(9.8)	(9.5)
<b>Total operating expenses</b>	<b>(162.7)</b>	<b>(126.9)</b>
<b>EBITDA</b>	<b>(56.9)</b>	<b>(26.2)</b>
Net finance costs	8.0	1.4
Foreign exchange	6.1	14.1
Depreciation and amortisation expense	(28.0)	(9.8)
Income tax expense	(0.1)	0.0
Performance related share based expense	(16.3)	0.0
Other expenses	(5.5)	0.0
Impairment loss	(15.2)	0.0
<b>Loss for the year after tax for continuing operations</b>	<b>(107.9)</b>	<b>(20.6)</b>

During the reporting period, the Group recorded a Net Revenue increase of 7.6% to \$210.3 million compared to the PCP.

- Sale and Marketing expense – driven by Canada following the launch in April 2022. Reflects a full year of operations as the business continued to build up its position in the market.
- Employee benefits expense – the increase from FY22 mainly resulted from Canada with first full year of operations and standard CPI increases.
- Product and technology expense primarily driven by increased feature additions in year and further investment in developing, hosting, operating and securing our technology and data platforms.

## Balance Sheet

As at 30 June 2023, PointsBet had \$194.5 million of corporate cash held for continuing operations.

A\$m	FY23 <sup>1</sup>	FY22 <sup>2</sup>
Cash and cash equivalents	212.1	519.6
Investments held at fair value	340.9	0.0
Right-of-use assets	3.5	14.7
Intangible assets	41.6	212.5
Other assets	8.7	214.3
<b>Total assets</b>	<b>606.8</b>	<b>961.1</b>
Trade and other payables	59.1	46.2
Lease liabilities	3.6	17.7
Player cash accounts	17.5	46.9
Financial liabilities	2.0	84.8
Contract liabilities	0.0	12.3
Other liabilities	23.1	16.9
<b>Total liabilities</b>	<b>105.3</b>	<b>224.7</b>
<b>Net assets</b>	<b>501.5</b>	<b>736.4</b>
<b>Total equity</b>	<b>501.5</b>	<b>736.4</b>

1. FY23 Net assets in FY23 reflect a deconsolidated position as a result of the shareholder approval to sell the US business.
2. FY22 Net assets reflect a consolidated position in line with accounting standards.

As at 30 June 2023, the group had net assets of \$501.5 million, the movement compared to the PCP is primarily driven by the deconsolidation of the Group's US and Ireland operations which was effective from the shareholder approval date of the US business sale on 30 June 2023 and control over the operations were deemed to be lost and operations discontinued.

The key balance sheet movements include:

- Recognition of Investment Held at Fair Value of \$340.9 million, represents the deferred cash consideration from the sale expected to be received over two tranches in FY24.
- Intangible Assets were reduced by \$170.8 million which included the investments in US licenses and market access fees, and capitalised software development costs related to the Ireland operations which were deconsolidated.
- Intangible Assets at year-end was \$41.6 million post an impairment charge of \$15.0 million which was recognised in the period relating to the Group's internally developed betting platform which specifically supported the US business and classified as a discontinued operation. Although the Group will continue to own the Sports wagering and iGaming technology platform there are specific assets which were created related to the US business which it is not considered probable that future economic benefit will be attributable to these assets and as such have been impaired to nil value. The net value at year end represent PointsBets proprietary technology platform which will be developed further by continuing operations technologists and quantitative analysts in Australia, India and Canada.
- Other Assets reduced by \$205.6 million, which included the significant NBC related marketing prepayments.
- All other US and Ireland related working capital items balances has been deconsolidated as at year end.

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## Statement of Cash Flows – Consolidated

FY23 Statement of Cash Flows includes cash flows from both continuing and discontinued operations.

A\$m	FY23	FY22
Receipts from customers (inclusive of GST)	402.2	328.2
Payments to suppliers and employees (inclusive of GST)	(628.5)	(541.2)
Net Interest	7.5	0.3
Net increase in player cash accounts	(30.1)	15.3
<b>Net cash outflow from operating activities</b>	<b>(248.9)</b>	<b>(197.5)</b>
<b>Net cash outflow from investing activities</b>	<b>(52.8)</b>	<b>(93.2)</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(4.5)</b>	<b>515.3</b>
<b>Net effect of exchange rate changes</b>	<b>(1.4)</b>	<b>18.8</b>
<b>Net cash flow</b>	<b>(307.5)</b>	<b>243.4</b>

As at 30 June 2023, The group had a cash balance of \$212.1 million, including \$17.5 million of client cash.

- Net operating outflows excluding movement in player cash accounts was (\$218.8) million. Whilst the combined revenue grew 29% vs the PCP and total cash receipts from customers were \$402.2 million, cash outflows increased as a result of an increased number of jurisdictions in which we operate, as well as additional costs from the full first year of operations for Canada.
- Net investing outflows were (\$52.8) million, a decrease from prior year primarily driven from lower payments associated with US market access licenses.
- Net financing outflows of (\$4.5) million relate to repayment of leases.

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# RISKS

## MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS

Identifying and managing risks which may affect the success of our strategy and financial prospects for future years is an essential part of our governance framework. While the Group has a strong track record of managing a multitude of risks, some inherent risks remain, many of which are not directly within the control of the Group.

Our risk management approach involves the ongoing assessment, monitoring and reporting of risks which could impede our progress in delivering our strategic priorities. As the business continues to grow the material business risk profile continues to evolve.

The key risks affecting the Group are set out below. The Group may also face a range of other risks from time to time in conducting its business activities.

### COVID-19

The outbreak of the novel coronavirus (COVID-19), a virus causing potentially deadly respiratory tract infections, presents an emerging risk for the Company. Efforts to date to contain the effect of COVID-19 have included travel restrictions, restrictions on public gatherings, closure or severe restriction of certain business activities and, in some locations, restrictions on individuals leaving their homes. These efforts are tied to instances of COVID-19 case numbers in each jurisdiction and may intensify further where the COVID-19 outbreak in that jurisdiction continues to grow.

COVID-19 containment measures to date have, amongst other things, negatively affected economic conditions, caused a reduction in consumer spending and had a significant impact on the Company's operations.

#### Restrictions and Impact on Sporting Events

Since the initial outbreak, various sporting events in multiple countries, including in the United States and Australia, have been cancelled, postponed or dramatically restructured and in some cases large public gatherings have been banned. These changes have impacted customers' use of PointsBet's products and services, and, in some cases, in particular in the United States, the disruptions to sporting events have impacted revenues compared to pre COVID-19 expectations.

While most sporting activities have resumed, a return of the virus could significantly impact the Company's business, and may materially impact its financial condition and results of operations depending on the length of time that these disruptions exist and whether sports seasons and sporting events are ultimately be suspended, postponed, or cancelled.

#### Other Impacts

In addition to the above, COVID-19 may impact the Company in a variety of other areas. In particular, while the Company has taken prudent steps to protect its global staff, including moving to a work from home environment and prohibiting non-essential travel, if a large number of employees and/or a subset of key employees and executives are impacted by COVID-19, the Company's ability to continue to operate effectively may be negatively impacted.

The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the Company cannot predict the full impact it may have on its end markets and operations at this time. However, the effect on the Company's financial performance and results could ultimately be material and adverse.

## THE WAGERING INDUSTRY IS HIGHLY REGULATED

The provision of wagering services is subject to extensive laws, regulations and, where relevant, licence conditions (Regulations) in most jurisdictions. The Regulations vary from jurisdiction to jurisdiction but typically address the responsibility, financial standing and suitability of owners, Directors and operators, marketing and promotional activity, the jurisdictions where an operator is permitted to undertake its business, the use of personal data and anti-money laundering laws. In addition, compliance costs associated with Regulations are material.

#### Changes to Regulations

Many of the Regulations are subject to change at any time and regulatory authorities may change their interpretation of the Regulations at any time, which may prohibit, restrict or further regulate the Company's operations in the future. Any changes to Regulations may result in additional costs or compliance burden. Some aspects of compliance may be outside the control of the Company.

#### Breach of Regulations

Failure by the Company to comply with relevant Regulations may lead to penalties, sanctions or ultimately the revocation of relevant operating licences and may have an impact on licences in other jurisdictions. Further, any regulatory investigations or settlements could cause the Company to incur substantial costs (either by way of fines and penalties or as a result of successful customer claims), or require it to change its business practices in a manner materially adverse to its business.

### Regulations differ across jurisdictions

The regulation of the wagering industry varies from jurisdiction to jurisdiction, from open regimes to licence-based regimes to complete illegality. In addition, the regulation of online wagering is subject to the determination of where online sports betting takes place and which jurisdiction has authority over the activities and participants.

The Company is currently operating in multiple jurisdictions and seeks to expand its operations in more jurisdictions. Accordingly, as the Company grows it will be subject to a wide range of different and at times conflicting Regulations in each jurisdiction, together with potential uncertainty around the application of laws. This is expected to place an increased burden on the Company and its compliance, administration and technology functions.

If the Company is not successful in managing this increased burden, or if the Company's assessment of an area of legal uncertainty is found to be incorrect, the Company may breach a licence condition or applicable law, which could result in penalties, sanctions or ultimately the revocation of relevant operating licences.

### THE COMPANY IS EXPOSED TO ADVERSE CHANGES IN PRODUCT FEES, LEVIES AND TAXES

The Company has commercial and regulatory payment obligations in the jurisdictions in which it operates. These obligations may be owed to a particular sporting body as "product fees" (for example, horse racing conducted in an Australian jurisdiction), payable under a commercial or statutory licence, or otherwise imposed by law as a tax, levy or fee. Any adverse changes to the Company's commercial and regulatory payment obligations, or the imposition of new levies, taxes or other duties or charges in any of these jurisdictions could materially and adversely affect the operations, financial performance and prospects of the Company.

### SYSTEM DISRUPTIONS AND OUTAGES

The integrity, reliability and operational performance of the Company's IT systems and third-party communication networks are critical to its operations. These IT systems and communication networks may be damaged or interrupted by increases in usage, human error, systems outages and failures, cyber-attacks, natural hazards or disasters, or similarly disruptive events. The Company's current systems may be unable to support a significant increase in online traffic or increased customer numbers, especially during peak times or events.

Like other wagering operators, the Company has experienced instances of service disruption. Any material or persistent failure or disruption of the Company's IT infrastructure or the telecommunications and/or other third-party infrastructure and services on which such infrastructure relies could lead to significant costs and disruptions that could reduce revenue, harm the Company's business reputation and have a material adverse effect on the operations, financial performance and prospects of the Company.

### CYBER SECURITY RISKS

The Company's IT systems and networks, and those of its third-party service providers, may be vulnerable to cyber-attacks, unauthorised access, computer viruses and other security issues. These events could damage the integrity of the Company's reputation and business.

Any failure by the Company to detect and prevent any intrusion or other security breaches, including sabotage, hackers, viruses, and cyberattacks, could have a material adverse effect on the operations, financial performance and prospects of the Company.

### THE COMPANY MAY REQUIRE ADDITIONAL CAPITAL TO FUND ITS GROWTH PLANS

The Company is likely to require additional capital in order to support and implement its growth plans. The Company's ability to obtain additional capital, if and when required, will depend on its business plans, investor demand, the capital markets and other factors. If the Company is unable to obtain additional capital when required, or is unable to obtain additional capital on satisfactory terms, its ability to continue to support its business growth or to respond to business opportunities, challenges or unforeseen circumstances could be adversely affected.

### CARD PAYMENT RISKS

Some clients may have difficulty making deposits into their PointsBet account due to specific policies by card issuers and banks to not allow gambling transactions, or to restrict transactions from merchants such as PointsBet whose main business is conducted online. If clients have difficulty making deposits into their PointsBet account and are unable or unwilling to deposit funds using alternative methods, this could result in lower turnover for PointsBet.

## **POINTS BET RELIES ON THIRD-PARTY SERVICE PROVIDERS FOR KEY BUSINESS FUNCTIONS**

The Company relies upon various third-party service providers to maintain continuous operation of its Platform, servers, hosting services, payment processing, and various other key aspects of its business including the pricing and availability of its products.

There is a risk that these services and systems may be adversely affected by various factors such as damage, faulty or aging equipment, systems failures and outages, computer viruses, or misuse by staff or contractors. The Company may also have disputes with its service providers for a range of reasons, which could lead to service disruptions until the dispute is resolved or a new service provider is engaged. Any disruption to third-party services may result in a disruption to the Company's services and have a material impact on the Company's operations.

## **RISK OF FRAUD**

Wagering operators are exposed to schemes to defraud and there is a risk that the Company's products may be used for those purposes by its clients or employees. In these circumstances, the Company has a high degree of reliance on its employees.

While the Company has systems in place to protect against fraudulent play and other collusion between clients and employees, these systems may not be effective in all cases. This may require the Company to make unanticipated additional investments in its systems and processes.

If the Company suffers any fraudulent activities, the Company's business, performance, prospects, value, financial condition, and results of operations could be adversely affected.

## **ANTI-MONEY LAUNDERING**

The wagering industry is exposed to schemes to launder money illegally and there is a risk that the Company's products may be used for those purposes by its clients or employees.

In addition, the Company's activities are subject to money laundering regulations and anti-corruption laws, which may increase the costs of compliance, limit or restrict the Company's ability to do business or subject the Company to civil or criminal actions or proceedings.

## **RISKS RELATING TO THE MISUSE OR LOSS OF PERSONAL INFORMATION**

The Company processes personal customer data and therefore must comply with strict data protection and privacy laws in Australia and other jurisdictions. The Company is exposed to the risk that this data could be wrongfully accessed and/or used, whether by employees, customers or other third parties, or otherwise inadvertently lost or disclosed or processed in breach of applicable data protection regulations. If the Company or any of the third-party service providers on which it relies fails to transmit customer information and payment details online in a secure matter or if a misuse or loss of personal customer data were to occur, the Company and its officers could face fines or penalties. This could also give rise to reputational damage to the Company and its brand.

## **INABILITY TO MANAGE EXPECTED FUTURE GROWTH**

The Company has experienced and expects to continue to experience rapid growth, which has placed, and may continue to place, significant demands on its management, operational and financial resources. As the Company grows, it may encounter capacity constraint issues and more resources will be required to manage growth initiatives. If the Company fails to successfully manage its anticipated growth and change, the quality of its products may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract customers.

## **RELIANCE ON KEY PERSONNEL**

The Company depends on the services of the management team as well as its technical, operational, marketing and management personnel.

Competition for suitably qualified personnel, including computer programmers and developers, is intense, and the Company cannot provide assurance that it will be able to attract or retain highly qualified personnel in the future.

If the Company is not able to retain its key employees and hire appropriate new employees, it may not be able to operate and grow its business as planned.

## **EXCHANGE RATE FLUCTUATIONS MAY IMPACT EARNINGS**

PointsBet's financial reports are prepared in Australian dollars however a proportion of PointsBet's revenues, costs and cash flows are generated in United States dollars. The proportion of overseas revenues, costs and cashflows generated by the Company is expected to grow and the Company will be exposed to additional currencies as it enters new markets.

Any adverse exchange rate fluctuations or volatility in the currencies in which PointsBet generates its revenues and cash flows, and incurs its costs, would have an adverse effect on the Company's future performance and position.



# CORPORATE GOVERNANCE STATEMENT

for the 12 months ended 30 June 2023

## INTRODUCTION

### Our approach to corporate governance

The Board of PointsBet Holdings Limited (Company) is committed to maintaining high standards of effective corporate governance arrangements to help create, protect and enhance shareholder value and ensure the future sustainability of the Company.

The Company's governance framework provides a solid structure for effective and responsible decision making and setting a culture of integrity, transparency and accountability that flows throughout the Company.

### ASX Corporate Governance Principles

The Company confirms it has followed the majority of the ASX Corporate Governance Council Principles and Recommendations 4th Edition (ASX Principles) during the 2022/23 financial year.

This Corporate Governance Statement sets out key features of our governance framework. The areas of compliance and non-compliance (and the reasons for such non-compliance) with the ASX Principles are set out below.

The information in this statement is current as at 31 August 2023 and has been approved by the Board.

### 2022/2023 areas of Governance Focus

During the year, the Board provided strategic guidance and effective oversight of management in its implementation of PointsBet's objectives and instilling its values and desired culture.

#### Succession and renewal

- The Board has continued to implement and deliver on its orderly renewal process with the nomination of William W Grounds as a Non-Executive Director on 13 December 2022. William is a former Non-Executive Director of MGM Resorts International and has a successful track record of managing businesses across geographies and in diverse industry sectors, including highly regulated environments. During the period, Manjit-Gombra Singh also transitioned from an Executive Director to a Non-Executive Director.
- A focus on key Executive talent, including the appointment of Andrew Catterall, Australian CEO, previously CEO of Racing.com and having held senior leadership positions at Racing Victoria and the Australian Football League (AFL).

#### Strategic governance

- Strategic oversight of PointsBet's M&A and strategic opportunities, with overall strategy and key decisions for material transactions being managed through the Board. Sub-committee and reporting structures are in place to ensure appropriate Board oversight, project governance and to monitor key outputs of workstreams.
- This governance framework culminated with the review, diligence and execution of the sale of the US Business and associated capital return initiatives.

#### Sustainability

- Continued risk-based identification of environment, social and governance (ESG) priorities, including governance, responsible gambling, data security and privacy, culture and community.
- Oversight of sustainability initiatives to ensure they are adequate to deliver progress against the Group's priorities, with Board participation where appropriate.
- Recognising that the Board, together with management, has a critical role in supporting responsible gambling at PointsBet, ongoing Board education in this area is provided as part of the Board's education and professional development calendar.

#### Culture

- Ongoing oversight of PointsBet's desired culture by leveraging data and analytics provided through a range of resources including our employee culture and engagement surveys and insights platform.

## 1. THE BOARD

### 1.1 The Role of the Board

The Board has adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged. The Board Charter includes an overview of:

- the Board's composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management;
- the authority delegated by the Board to management and Board Committees; and
- the Board's process.

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The Board's role is to:

- demonstrate leadership and to represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- protect and optimise the Company's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board, together with the Remuneration and Nomination Committee, determines the size and composition of the Board.

A copy of the Board Charter is available in the Governance section of the Company's website <https://investors.pointsbet.com.au/>.

## 1.2 CEO and Delegation to Management

The Board has authorised the CEO to oversee the day-today business and operations, within the limits of specific authorities set out in the delegations approved by the Board.

The CEO has, in turn, approved sub-delegations of authority that apply to management. The CEO is accountable to the Board for the authority that is delegated by the Board.

The Board monitors the decisions and actions of the CEO and the Group's progress on achieving the short, medium and long-term objectives as set by the Board.

## 1.3 Board Composition and Skill Set

As at 30 June 2023, the Board comprised five (5) independent Non-Executive Directors, two (2) non-independent Non-Executive Director and one (1) Executive Director.

The names of the Directors and their respective qualifications, experience and responsibilities are set out in the Directors' Report within the Annual Report.

Members of the Board have been brought together to provide a blend of qualifications, skills and experience required for managing a company operating in the wagering industry.

The following table sets out the mix of skills and experience the Board considers necessary or desirable and the extent to which they are represented on the current Board:

Skills and Experience	Number of Directors with the experience
<b>Executive leadership</b>	
Significant experience at a senior executive level	■ ■ ■ ■ ■ ■ ■ ■
<b>Capital management and corporate</b>	
Senior experience in capital management strategies and corporate finance	■ ■ ■ ■ ■ ■ ■ ■
<b>Global business experience</b>	
International business experience	■ ■ ■ ■ ■ ■ ■ ■
<b>Risk management</b>	
Senior experience in risk management	■ ■ ■ ■ ■ ■ ■ ■
<b>Corporate governance, legal and regulatory</b>	
Commitment to the highest standards of corporate governance and legal compliance, including experience with an organisation that is subject to rigorous governance and regulatory standards	■ ■ ■ ■ ■ ■ ■ ■
<b>Digital technology</b>	
Senior experience in technology, especially in digital, software or computer industries and oversight of implementation of major technology projects	■ ■ ■ ■ ■ ■ ■ ■
<b>Wagering</b>	
Senior executive or Board level experience in the gaming industry, including an in-depth knowledge of product and markets	■ ■ ■ ■ ■ ■ ■ ■

■ Extensive Experience ■ Moderate Experience ■ Limited or In-Direct Experience

## 1.4 Director Independence

All Directors, whether independent or not, are expected to bring an impartial judgement to bear on Board decisions and are subject to the Board's policy regarding management of conflicts of interest, as well as common law and Corporations Act requirements.

The Board considers a Director to be independent where he or she is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

The Nomination and Remuneration Committee will assess the independence of each Non-Executive Director in light of interests disclosed by them at least annually on a case-by-case basis. Each Non-Executive Director must provide the Board with all relevant information for this purpose.

The Company's Board Charter sets out guidelines and thresholds of materiality to assist in considering the independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that Peter McCluskey, Anthony Symons, Becky Harris, Kosha Gada and William Grounds are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment and is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Brett Paton, Sam Swanell and Manjit Gombra-Singh are not currently considered by the Board to be independent Directors given:

- in the case of Sam Swanell, his executive position in the Company;
- in the case of Mr Manjit Gombra-Singh, his previous executive position in the Company; and
- in the case of Brett Paton, his ownership interest in the Company.

The Board considers that each Director will add significant value given their considerable skills and experience and will bring objective and independent judgement to the Board.

## 1.5 Non-Executive Director selection

The Board adopts a structured approach to Board selection planning. This process is continuous and the Board regularly evaluates and reviews its selection planning process to ensure the progressive and orderly addition of independence and appropriate skills.

Before a candidate is nominated by the Board, the candidate must confirm that they will have sufficient time to meet their obligations to the Company and that they expect to meet all wagering regulatory approval conditions.

An election of directors is held each year. Any new Non-Executive Director nominated during the year is known as a Director (Elect) and will stand for election by shareholders at the subsequent AGM.

Shareholders are asked to approve the appointment of the Director (Elect) subject to the receipt of all necessary regulatory pre-approvals. Until the receipt of all necessary regulatory pre-approvals, a Director (Elect) may attend all meetings of the Company but will have no entitlement to vote on any resolutions proposed at any meeting of the Board or any committee.

## 1.6 Background and Regulatory Checks

The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Non-Executive Director (including whether Directors support the election or re-election), is disclosed in the notice of meeting provided to shareholders.

Non-Executive Director candidates are also invited to address the meeting and provide details of the relevant qualifications, experience and skills they bring to the Board.

As the Company operates in a highly regulated environment and is required to be licensed by gaming regulatory authorities, the Company undertakes comprehensive background checks prior to the appointment of a new Non-Executive Director or senior executive to demonstrate that the individual is suitable to be associated with the wagering and gaming industry.

Non-Executive Directors and certain senior executives are required to be licensed in various jurisdictions.

Background checks include employment, criminal history, bankruptcy and disqualified company director and officer checks. In addition, gaming regulators conduct detailed background investigations on Non-Executive Directors and senior executives, requiring them to disclose historical and current personal and financial information and records and participate in interviews.

The process for applying for gaming licenses is lengthy, complex and time-consuming and there is an ongoing obligation to keep the regulators notified of any material changes, such as a change of address or purchase of new property within the timeframe required by the regulator.

As a result, Non-Executive Directors and certain senior executives are required to provide financial statements and other requested records on regular intervals to the Company's licensing team to ensure ongoing regulatory requirements are fulfilled (which includes the renewal of licences and compliance with conditions of their licences).

### 1.7 Appointment terms

New Non-Executive Directors receive a letter of appointment and a deed of access and indemnity. The letter of appointment outlines the Company's expectations of Non-Executive Directors with respect to their participation, time commitment and compliance with the Company's policies and regulatory requirements.

Each senior executive enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Key contract details of those senior executives who are Key Management Personnel (KMPs) are summarised in the Remuneration Report within the Annual Report.

### 1.8 Induction and ongoing professional development opportunities

New Non-Executive Directors joining the Board participate in an induction program (which includes meeting with the Chair and senior executives) and are provided with the Director's Handbook. Given the geographic diversity of the Board and Group operations, induction for US based Non-Executive Directors include specific sessions targeted to Australian corporate governance.

Recognising the importance of providing continuing education, Non-Executive Directors can take part in a range of training and continuing education programs. The Board periodically reviews whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Non-Executive Directors also receive regular business briefings at Board meetings on each area of the Company's business, in particular regarding performance, key issues, risks and strategies for growth in the United States.

In addition, Non-Executive Directors have unfettered access to members of the Executive Leadership Team (ELT) and are encouraged to meet with the ELT to further their knowledge and understanding of the Company's businesses.

Non-Executive Directors are also encouraged and given the opportunity to broaden their knowledge of the business by visiting offices in different locations.

### 1.9 Access to information and independent advice

Directors are entitled to the following:

- Unrestricted access to employees and records, subject to law.
- Independent professional advice at the Company's expense, where reasonable and necessary to fulfil their duties and subject to prior consultation with the Chairman, and for the Chairman, with the Chair of the Audit Committee.

### 1.10 The role of the Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, for the proper functioning of the Board and facilitating the Company's corporate governance processes.

Each Director is entitled to access the advice and services of the Company Secretary. In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole.

Details of the Company Secretary are set out in the Director's Report within the Annual Report.

## 2. BOARD COMMITTEES

The Board may from time to time establish committees to streamline the discharge of its responsibilities. The permanent standing committees of the Board are the Audit, Risk and Compliance Committee and the Remuneration and Nomination Committee and the Disclosure Committee.

The Board may also delegate specific functions to ad hoc committees on an "as needs" basis. Directors are entitled to attend Board Committee meetings and receive Board Committee papers, and the Chair of each Board Committee will report back on committee meetings at Board meetings.

A copy of each Committee Charter is available in the Governance section of the Company's website at <https://investors.pointsbet.com.au/>

## 2.1 Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee comprises four members, all of whom are Non-Executive Directors, and it is chaired by an independent Director who is not the chair of the Board.

The Audit, Risk and Compliance Committee comprises a majority of independent Directors.

The Board considers that Brett Paton (a non-independent, Non-Executive Director) on the Audit, Risk and Compliance Committee will bring the desired skills and qualifications required to effectively assist the Board in matters relating to the Company's audit, risk and compliance functions.

In particular, the Board considers that Brett Paton will add significant value to the Board given his qualifications and extensive experience in the finance industry. The Board considers that Brett Paton will bring objective and independent judgement to his role on the Audit, Risk and Compliance Committee.

All members of the Audit Committee are financially literate, and the committee possesses sufficient financial expertise and knowledge of the industry in which the Group operates.

Members of the Group's external audit firm and Internal Audit and Risk teams attend committee meetings by invitation, together with relevant senior executives.

The Audit, Risk and Compliance Committee assists the Board in discharging its duties in relation to oversight of financial risk management of the Group, the integrity of the Group's financial reporting, effectiveness of the Group's systems of risk management and internal controls, the independence, objectivity and competence of the external and internal auditors, and compliance with legal and regulatory obligations.

The Audit, Risk and Compliance Committee Charter includes a more detailed description of the duties and responsibilities of the committee.

## 2.2 Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises four Directors, all of whom are Non-Executive Directors, and it is chaired by an independent Director who is not the chair of the Board.

The Board considers that Mr Paton (a non-independent, Non-Executive Directors) on the Remuneration and Nomination Committee will bring the desired skills and qualifications required to effectively assist the Board in matters relating to remuneration and succession planning.

The Board considers that Brett Paton will bring objective and independent judgment to his role on the Remuneration and Nomination Committee.

The role of the Committee is to assist and advise the Board on:

- Group's people strategy, diversity and organisational culture;
- Board succession planning generally;
- succession planning for the Group CEO and other direct reports to the Group CEO;
- the development and implementation of a process for evaluating the performance of the Board, its Committees and Directors;
- the appointment and re-election of Directors, with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

The Committee also assists and advises the Board on remuneration policies and practices for the Board, the Group CEO, senior executives and other persons whose activities, individually or collectively, materially affect the operations of the Company.

The Committee also provides recommendations regarding remuneration-related reporting in the Company's financial statements and remuneration reports.

Non-Committee members, including members of management, may attend meetings of the Committee at the invitation of the Committee Chair.

### 3. PERFORMANCE EVALUATION AND REMUNERATION

#### 3.1 Board performance evaluation process

The Board (with assistance, where necessary or appropriate, from external consultants) regularly carries out a review of the performance of the Board, its committees, and each Director. A Board review was undertaken internally during the Reporting Period.

The review will assess, amongst other things:

- The effectiveness of the Board and each committee in meeting the requirements of their Charters;
- Whether the Board and each committee has members with the appropriate mix of skills and experience to properly perform their functions;
- The contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and
- Whether the content, format and timeliness of agendas, papers and presentations provided to the Board and each committee are adequate for them to properly perform their functions.

The results and any action plans following the assessment are documented, together with specific performance goals that are agreed by the Board.

Directors are encouraged to raise any issues of concern regarding the performance of any other Director with the Chairman, or if the concern relates to the Chairman, with the Chair of the Audit, Risk and Compliance Committee.

#### 3.2 Senior executive performance evaluation process

Each year the Board sets financial, operational, management and individual targets for the Group CEO. The Group CEO (in consultation with the Board), in turn sets targets for his direct reports.

Performance against these targets is assessed periodically throughout the year and a formal performance evaluation for senior management is completed for the year end.

Further details are set out in the Remuneration Report contained within the Annual Report. Performance evaluations of the Group CEO and his direct reports took place in the 2022/23 financial year in accordance with the processes described above.

#### 3.3 Remuneration

Details of the principles and amounts of remuneration of Directors and senior executives who are KMP are set out in the Remuneration Report contained within the Annual Report, which also includes disclosures on equity-based remuneration provided by the Company.

### 4. RECOGNISING AND MANAGING RISK

#### 4.1 Risk Oversight

The Board recognises the importance of an effective framework of risk oversight, risk management and internal control for good corporate governance.

As set out in section 2.1 above, the Company has established an Audit, Risk and Compliance Committee which encompasses risk matters.

#### 4.2 Annual Risk Review

The Board is responsible for the oversight and management of risk, including the identification of material business risks on an ongoing basis and will be assisted by the Audit, Risk and Compliance Committees where required.

A review of material business risks has been conducted in the current period, which concluded that controls over risk management processes were adequate and effective.

#### 4.3 Internal audit

Independent and objective assurance with respect to the Company's system of risk management, internal control and governance are provided by the Group Internal Audit function. The function maintains and improves the risk management framework, undertakes audits and other advisory services to assure risk management across the Company and reports to the Audit, Risk and Compliance Committee.

Group Internal Audit is independent of the external auditor. The appointment of the VP, Internal Audit is approved by the Audit, Risk and Compliance Committee. The VP, Internal Audit reports functionally to the Group General Counsel and Company Secretary.

Group Internal Audit adopts a risk-based approach in developing annual internal audit plans to align audit activities to the key risks and control frameworks across the Company.

In addition to internal audit activities conducted by Group Internal Audit, audit, review, oversight and monitoring activities are undertaken across the business to provide a breadth of assurance. The findings from these assurance activities are reported through operational governance structures and to the relevant Board Committee.

#### 4.4 Auditor independence

The Group's policy on auditor independence restricts the types of non-audit services that can be provided by the external auditors. In addition, any non-audit services which are to be provided by the external auditors need to be pre-approved by the Chair of the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee requires the external auditor to confirm annually that it has complied with all professional regulations. The Group requires the lead external audit partner to rotate every five years.

RSM continues in office as the Company's auditor during the Reporting Period. RSM is engaged on low value assignments additional to their statutory audit duties where RSM's expertise and experience with the Group are important. These services are not recurring. Any future non-audit services are expected to be at lower levels.

#### 4.5 Sustainability risks

The Company has determined there is a level of exposure to economic risk and the impact of economic conditions upon the Company may be either specific, or of a more general nature.

Economic downturns may have an adverse impact on the Company's operating performance as a result of reduced wagering activity. Other factors include general outlook for economic growth and its impact on confidence.

The Group continues to actively monitor and manage all perceived economic risks to the business through monitoring the financial, economic and industry data available to the Company from internal and external sources.

For further information relating to the Company's exposure to various financial risks, with explanations as to how this impacts the Company please refer to the Notes to the Consolidated Financial Statements: Risk section.

The Group has no material exposure to environmental sustainability risks.

#### 4.6 Integrity of disclosures in periodic reports

The Company produces a number of periodic corporate reports, including the annual Directors' Report, Corporate Governance Statement and half year and full year financial statements and quarterly Appendix 4Cs.

There are various processes in place to review and confirm the accuracy and reasonableness of the disclosures contained in those reports, which are tailored based on the nature of the relevant report, its subject matter and where it will be published. However, the Company seeks to adhere to the following general principles with respect to the preparation and verification of its corporate reporting:

- periodic corporate reports should be prepared by, or under the oversight of, the relevant subject matter expert for the area being reported on;
- the relevant report should comply with any applicable legislation or regulations;
- the relevant report should be reviewed (including any underlying data) with regard to ensuring it is not inaccurate, false, misleading or deceptive;
- where required by law or by Group policy, relevant reports authorised for release by the appropriate approver required under that law or policy; and
- the external auditor audits or reviews the Group's full and half-yearly financial reports, respectively, in accordance with auditing standards ahead of release to the market.

The CEO and CFO also provide the Board with written declarations in relation to half year and full year financial statements as described in section 4.7 of this Corporate Governance Statement.

Finally, the Board has established a Management Disclosure Committee comprising of the CEO, CFO and the Group General Counsel and Company Secretary to which it has delegated responsibility for overseeing the process for ensuring all ASX announcements are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

#### 4.7 MD and CFO certification of financial statements

The Managing Director and Group Chief Financial Officer provide a statement to the Board and Audit, Risk and Compliance Committee in advance of seeking approval of any financial report to the effect that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

In accordance with the above, the Board has received a written assurance that the declaration provided under section 295A Corporations Act is based on a sound system of internal control and risk management, which is operating effectively in all respects in relation to material business risks and financial reporting.

## 5. COMMUNICATION WITH SHAREHOLDERS

### 5.1 Publicly available information accessible on website

The Company keeps investors informed of its corporate governance, financial performance and prospects via its website, <https://investors.pointsbet.com.au/>

### 5.2 Investor relations programs

The Company conducts regular briefings including interim and full year results announcements and quarterly cash flow updates (Appendix 4C) in order to facilitate effective two-way communication with investors and other financial markets participants.

Access to executive and operational management is provided at these events. Additionally, separate one-on-one and/or small group meetings are provided when requested and in compliance with governance parameters set by the Company. The Company recommends all investor meetings are attended by at least one of the following: Chairman, CEO or CFO.

Pending resourcing and availability, the Company prefers to have a minimum of two executives attend most investor meetings.

The Company's objective is to provide best practice disclosure and comply with all applicable laws and Group policies. Therefore all discussions with analysts and investors are conducted by or with the prior approval of the CEO, or CFO and are limited to an explanation of previously published material and general discussion of non-price sensitive information, including relevant industry insights. Any new and substantive investor or analyst presentations are released to ASX in advance of the presentation.

Unless authorised by the CEO or CFO, meetings with analysts will not be held between the end of the half-year or full-year and the date on which those results are announced. Any meetings during this period are strategic in nature only, with no financial questions specific to the pending result addressed.

### 5.3 Facilitate participation at meetings of security holders

Shareholders are encouraged to attend the Company's Annual General Meeting and to ask questions of Directors. The notice of meeting includes a process to enable shareholders to submit questions to the Board and the Company's auditor prior to the meeting.

The Company's external auditor attends the Annual General Meeting of the Company and is available to answer questions from shareholders about the conduct of the audit and the preparation and content of the Audit Report.

Voting on resolutions set out in the Notice of AGM is conducted by way of a poll.

### 5.4 Facilitate electronic communication

The Company provides its investors the option to receive communications from, and send communications to, the Company and the share registry electronically.

## 6. DIVERSITY

The Company recognises its legal and ethical obligations and is committed to promoting and achieving broader diversity across the Company as part of its sustainability strategy.

The Group's workforce is made up of individuals with diverse skills, values, background and experiences and employs more than 650 people around the world including in Australia, the United States, the United Kingdom, Canada, Ireland and India.

The Company's Diversity Policy is disclosed on the Company's website and sets out its objectives and reporting practices regarding diversity.

The Remuneration and Nominations Committee continues to review and report to the Board on the Company's diversity profile with a view to setting meaningful targets for the advancement of diversity within the Company.

The Board's review process has been specifically focused on Board's gender diversity. The Board has adopted a measurable objective of maintaining not less than 30% of Directors of each gender. As at 30 June 2023, 2 of the 7 Non-Executive Directors (29%) are female. While this objective is important to the Board, the skills pool applicable to online sports betting and iGaming governance (especially with regards to the additional licensure and probity obligations), means the Board will always weight this objective against the available talent pool for the required skill set.



In addition, the following diversity-related measurable objective supporting gender diversity has been endorsed by the Board for FY2022/23:

- Increase the number of women in the 'Leadership Group'<sup>1</sup>, comprising the Board, Executive Roles<sup>2</sup> and Senior Management Roles<sup>3</sup>.

The following information is provided about the proportion of women across the Group as at 30 June 2023:

Item	Men	Women
Total employees	525	128
%	80	19
Employees in Senior Management Roles	37	8
%	82	18
Board Members	6	2
%	75	25

The percentage of women has increased by 3% over the prior Reporting Period, however the Company did not achieve its FY23 measurable objective as the number of women in the Leadership Group decreased compared to the prior Reporting Period.

However, the Board acknowledges that the Company at its current stage of development does not presently demonstrate best practice in terms of diversity of the Board and Management team. This is a focus area for improvement over the next 12 months and beyond.

## 7. GOVERNANCE POLICIES

### 7.1 Mission statement and values

The Company's mission statement is "*Bringing you the fastest betting experience in the world*".

Underpinning that mission statement is a shared set of values that guide and inspire the Company's employees: Courage, Integrity, Commitment and Passion.

More information about our mission statement and values are available in the Culture and Careers section of the Company's website: <https://careers.pointsbet.com.au/>

### 7.2 PointsBet Governance Policies

Details of the Company's Governance Policies are summarised below.

These Policies are available in the Governance section of the Company's website: <https://investors.pointsbet.com.au/>.

#### 7.2.1 Continuous Disclosure Policy

The Company has adopted a Continuous Disclosure Policy and a Communications Policy and established a Disclosure Committee (comprising the Chair of the Board, Group CEO, Group CFO and Company Secretary or their delegates) to ensure compliance with these requirements.

The Continuous Disclosure Policy applies to all Directors, officers, employees and consultants of the Company.

#### 7.2.2 Communication with Shareholders

The Company aims to communicate all important information relating to the Company to its Shareholders. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

To achieve this, the Company communicates information regularly to Shareholders and other stakeholders through a range of forums and publications, including the Company website, at the annual general meeting, through the Company's Annual Report and ASX announcements.

1. Leadership Group comprises the Board, Executive Roles and those in Senior Management Roles.  
 2. Executive Roles comprise of the Group CEO and his direct reports.  
 3. Senior Management Roles include direct reports to those in Executive Roles and Departmental Managers.

### 7.3 Securities Dealing Policy

The Company has adopted a Securities Dealing Policy which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and explain the Company's policy and procedure for the buying and selling of securities that protects the Company, Directors and employees against the misuse of unpublished information which could materially affect the price or value of securities.

The policy applies to Directors, officers, senior management and other employees, consultants and contractors of the Company.

#### 7.3.1 Code Of Conduct

The Board has adopted a formal Code of Conduct which outlines how the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

All employees of the Company (including temporary employees, contractors, Company Directors, officers, consultants and other persons that act on behalf of the Company) must comply with the Code of Conduct.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the policy.

#### 7.3.2 Diversity Policy

The Board has formally adopted a Diversity Policy, which sets out the Company's vision for diversity, incorporating a number of different factors including gender, ethnicity, age and educational experience.

The Diversity Policy has been approved in order to actively facilitate a more diverse and representative management and leadership structure.

The Board will include in its annual report each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy and the Company's most recent "Gender Equality Indicators" as defined by the *Workplace Gender Equality Act 2012* (Cth) (the Act) or, where the Company is not required to comply with the Act, the proportion of women employees, senior executives and Board members.

#### 7.3.3 Whistleblower Policy

The Company has adopted a Whistleblower Policy which encourages, supports and promotes honest and ethical behaviour by providing a framework for the escalation of 'reportable conduct'. This includes conduct that is any one or more of the following: dishonest, fraudulent, corrupt, illegal, in breach of local laws, unethical, an unsafe work practice or a repeated breach of Company policy or procedure (including breaches of the Code of Conduct).

#### 7.3.4 Anti-Bribery and Anti-Corruption Policy

The Company has adopted a Anti-bribery and Anti-Corruption Policy. This policy is designed to bring awareness to all employees, directors, officers, contractors and consultants that certain types of payments may constitute corruption, an illegal benefit or an act of bribery and that any such payments are prohibited.

The Company applies a "zero tolerance" approach to acts of bribery and corruption.

# CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2023

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**PointsBet Holdings Limited**  
**Annual Financial Report**  
**For the year ended 30 June 2023**

**ABN 68 621 179 351**

These financial statements are the consolidated financial statements for the group consisting of PointsBet Holdings Limited and its subsidiaries. A list of subsidiaries is included in Note 29.

The financial statements are presented in the Australian dollar (\$).

PointsBet Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

PointsBet Holdings Limited  
Level 2, 165 Cremorne Street  
Cremorne VIC 3121

The financial statements were authorised for issue by the Directors on 31 August 2023. The Directors have the power to amend and reissue the financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2023

	Notes	2023 \$'000	Restated 2022 \$'000
<b>Continuing operations</b>			
Revenue	6	210,298	195,414
Cost of sales		(104,595)	(94,896)
<b>Gross profit</b>		<b>105,703</b>	<b>100,518</b>
Other income/ (other expense)	7	6,093	14,257
<b>Expenses</b>			
Marketing expenses		(90,333)	(74,232)
Employee benefits expenses	8	(64,900)	(33,359)
Information technology costs		(13,969)	(9,848)
Administration expenses		(5,493)	(5,950)
Consulting expenses		(1,698)	(1,530)
Occupancy expenses		(817)	(692)
Other expenses		(6,436)	(907)
Travel and accommodation expenses		(796)	(403)
Depreciation and amortisation	8	(27,962)	(9,798)
Impairment expense	14	(15,157)	-
<b>Total Expenses</b>		<b>(227,561)</b>	<b>(136,719)</b>
Finance income	7	8,105	1,467
Finance expenses	7	(150)	(107)
<b>Finance (costs)/income - net</b>		<b>7,955</b>	<b>(1,360)</b>
<b>Loss before income tax</b>		<b>(107,810)</b>	<b>(20,584)</b>
Income tax expense	9	(70)	-
<b>Loss after income tax for the year from continuing operations</b>		<b>(107,880)</b>	<b>(20,584)</b>
<b>Discontinued Operations</b>			
Net gain on deconsolidation	31	93,292	-
Loss after tax for the year from discontinued operations	31	(261,725)	(247,105)
<b>Net loss after tax for the year from discontinued operations</b>		<b>(168,433)</b>	<b>(247,105)</b>
<b>Total loss for the year</b>		<b>(276,313)</b>	<b>(267,689)</b>
<b>Loss for the year attributable to:</b>			
Owners of PointsBet Holdings Limited		(276,313)	(267,689)
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of PointsBet Holdings Limited		(285,561)	(245,850)
<b>Loss per share for loss attributable to the owners of PointsBet Holdings Limited:</b>		<b>Cents</b>	<b>Cents</b>
<b>From continuing operations</b>			
Basic and Diluted (loss) per share	24	(35.3)	(8.1)
<b>Total attributable to ordinary shareholders of PointsBet Holdings Limited</b>			
Basic and Diluted (loss) per share	24	(90.3)	(104.8)

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Notes	2023 \$'000	Restated 2022 \$'000
<b>Total loss for the year</b>		<b>(276,313)</b>	<b>(267,689)</b>
<b>Other comprehensive income/(loss)</b>			
Exchange differences on translation of foreign operations	22	6,146	21,839
Currency translation on companies disposed of, transferred to the income statement	22	(15,394)	–
<b>Total comprehensive (loss) for the year</b>		<b>(285,561)</b>	<b>(245,850)</b>
<b>Total comprehensive loss for the year is attributable to:</b>			
Continuing operations		(108,279)	(20,705)
Discontinued operations		(177,282)	(225,145)
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of PointsBet Holdings Limited		<b>(285,561)</b>	<b>(245,850)</b>

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	212,052	519,596
Investments held at fair value	31	340,941	–
Trade and other receivables	11	2,085	3,514
Other current assets	12	4,849	79,729
<b>Total current assets</b>		<b>559,927</b>	<b>602,839</b>
<b>Non-current assets</b>			
Plant and equipment	13	474	9,430
Intangible assets	14	41,623	212,464
Other non-current assets	12	1,262	121,624
Right-of-use assets	15	3,483	14,730
<b>Total non-current assets</b>		<b>46,842</b>	<b>358,248</b>
<b>Total assets</b>		<b>606,769</b>	<b>961,087</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	59,089	46,177
Employee benefit obligations	17	3,250	4,294
Provisions	19	22,344	117
Financial liabilities	18	1,973	5,130
Other current liabilities	20	14,454	45,556
Lease liabilities	15	1,340	4,508
Contract liabilities		–	1,282
<b>Total current liabilities</b>		<b>102,450</b>	<b>107,064</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	20	–	5,807
Employee benefit obligations	17	551	378
Lease liabilities	15	2,251	13,192
Financial liabilities	18	–	79,708
Deferred tax liability	9	–	7,198
Provisions	19	62	404
Contract liabilities		–	10,981
<b>Total non-current liabilities</b>		<b>2,864</b>	<b>117,668</b>
<b>Total liabilities</b>		<b>105,314</b>	<b>224,732</b>
<b>Net assets</b>		<b>501,455</b>	<b>736,355</b>
<b>EQUITY</b>			
Share capital	21	1,204,351	1,197,010
Other reserves	22	89,683	88,249
Accumulated losses		(792,579)	(548,904)
<b>Total equity</b>		<b>501,455</b>	<b>736,355</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Notes	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		<b>666,130</b>	<b>62,632</b>	<b>(281,215)</b>	<b>447,547</b>
Loss for the year		-	-	(267,689)	(267,689)
Other comprehensive income	22	-	21,839	-	21,839
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>21,839</b>	<b>(267,689)</b>	<b>(245,850)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Exercise of options		38,946	(5,836)	-	33,110
Issued Capital – Other		3,028	-	-	3,028
Capital raising		494,244	-	-	494,244
Less: Share issue costs		(11,157)	-	-	(11,157)
Share-based payments expense for the year		5,819	9,523	-	15,342
Share-based payment-ABG-Shaq_LLC		-	91	-	91
<b>Total for the year</b>		<b>530,880</b>	<b>3,778</b>	<b>-</b>	<b>534,658</b>
<b>Balance at 30 June 2022</b>		<b>1,197,010</b>	<b>88,249</b>	<b>(548,904)</b>	<b>736,355</b>
Loss for the year		-	-	(276,313)	(276,313)
Other comprehensive loss	22	-	(9,248)	-	(9,248)
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>(9,248)</b>	<b>(276,313)</b>	<b>(285,561)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Exercise of options	21	5,228	(3,899)	-	1,329
Issued Capital – Other	21	276	-	-	276
Vested KEEP rights	21	2,384	(2,384)	-	-
Less: Share issue costs	21	(109)	-	-	(109)
NBC waiver of options	22	-	(32,638)	32,638	-
Share forfeitures	21	(438)	-	-	(438)
Share-based payments expense for the year	22	-	49,603	-	49,603
<b>Total for the year</b>		<b>7,341</b>	<b>10,682</b>	<b>32,638</b>	<b>50,661</b>
<b>Balance at 30 June 2023</b>		<b>1,204,351</b>	<b>89,683</b>	<b>(792,579)</b>	<b>501,445</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		402,233	328,152
Payments to suppliers and employees (inclusive of GST)		(628,503)	(541,243)
		(226,270)	(213,091)
Government grants received (including R&D Offset)		-	218
Interest received		8,538	907
Interest paid		(1,034)	(859)
Net increase in player cash accounts		(30,145)	15,296
<b>Net cash outflow from operating activities</b>	25	<b>(248,912)</b>	<b>(197,529)</b>
<b>Cash flows from investing activities</b>			
Payments for Plant and Equipment		(2,208)	(3,718)
Payments for Capitalised Software Development		(41,101)	(31,861)
Payments for Market Access Intangible		(6,580)	(52,994)
Payments for deposits and Rental Bond		(851)	(596)
Payments for funds held in escrow		(2,021)	(3,768)
Payments to acquire businesses (Net of cash acquired)		-	(254)
<b>Net cash outflow from investing activities</b>		<b>(52,760)</b>	<b>(93,191)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares (net of share issue cost)		(271)	483,661
Option exercises		989	35,437
Repayment of leases		(5,210)	(3,821)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(4,492)</b>	<b>515,277</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(306,164)</b>	<b>224,557</b>
Cash and cash equivalents at the beginning of the financial year		519,596	276,158
Effects of exchange rate changes on cash and cash equivalents		(1,380)	18,881
<b>Cash and cash equivalents at end of year</b>	10	<b>212,052</b>	<b>519,596</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

The Statement above includes discontinued operations, refer to Note 31 for further details.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2023

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of PointsBet Holdings Limited and its subsidiaries.

### A. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022.

Any new or amended Accounting Standards, Amendments or Interpretations that are not yet mandatory have not been early adopted.

### B. BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. PointsBet Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

#### i. Compliance with IFRS

The consolidated financial statements of the PointsBet Holdings Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities held at fair value through profit or loss (including derivative instruments)
- certain classes of plant and equipment – measured at fair value.

### C. PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

#### i. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

### D. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal management reports that have been provided to and reviewed by the Chief Executive Officer, who is identified as the Chief Operating Decision Maker (CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

### E. FOREIGN CURRENCY TRANSLATION

#### i. Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is PointsBet Holdings Limited's functional and presentation currency.

## ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss on a net basis within other income/(expenses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

## iii. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Consolidated Statement of Financial Position presented are translated at the closing rate at the date of that Consolidated Statement of Financial Position;
- income and expenses for Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## F. REVENUE RECOGNITION

The services provided by the Group comprise sports betting revenue (retail sportsbook, online sportsbook), pari-mutuel ADW (advanced deposit wagering) services, iGaming, and business-to-business services.

Revenue is stated exclusive of goods and services tax ("GST").

Revenue from contracts with customers is recognised when control of the Group's services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has concluded that it is the principal in its revenue arrangements because it controls the services before transferring them to the customer.

Information about the nature and timing of the satisfaction of performance obligations pertaining to the Group's main sources of revenue are outlined below:

### Sports betting revenue

The Group reports the gains and losses on all betting activities as revenue, which is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments. Revenue includes free bets, promotions, and bonuses. Open betting positions (pending bets) are accounted for as derivative financial instruments and are carried at fair value. Gains and losses arising on the open positions are recognised in revenue.

The Group operates a rewards program allowing customers to accumulate award points for betting spend and a portion of these points is recognised as a contract liability until the points are redeemed. Revenue from the award credits is recognised when the royalty points are redeemed or expire.

All revenue is stated net of the amount of goods and services tax.

**iGaming Revenue**

Revenue from iGaming represents net winnings, being amounts staked net of customer winnings, and is stated net of customer promotions and bonuses incurred in the period.

**Pari-mutuel advanced deposit wagering**

Revenue from pari-mutuel betting products represents a percentage of stake and is recognised on settlement of the event, and is stated net of customer promotions and bonuses.

**B2B Services Revenue**

Revenue from business-to-business services represents fees charged for the services provided in the period. Revenue is recognised once the services have been rendered and is over time.

**Government Grants including R&D Tax Incentive**

Grants that compensate the group for expenditures incurred are recognised in profit or loss on a systematic basis in the periods in which the expenditures are recognised. R&D tax offset receivables will be recognised in profit before tax and depreciation and amortisation over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the R&D costs are capitalised or expensed as incurred.

For R&D costs that have been capitalised, the grants related to those assets have been deferred and will be recognised over the useful economic life of asset.

**Interest revenue**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**G. INCOME TAX**

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Tax consolidation**

PointsBet Holdings Limited (the Head Company) and its 100% owned Australian tax resident subsidiaries have formed an income tax consolidation group, and are therefore taxed as a single entity.

## H. CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## I. RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## J. IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

## K. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## L. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See Note 11 for further information about the Group's accounting for trade receivables.

Other receivables are recognised at amortised cost, less any loss allowance.

## M. INVESTMENTS AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The group classifies its debt instruments into the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## N. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting year.

## O. PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Office equipment 2 – 3 years
- Computer equipment 2 – 3 years
- Retail Sportsbook Assets 2 – 5 years
- Assets under construction Nil years
- Leasehold improvements over a period up to lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

## P. INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### i. Licenses and market access and Racetrack agreements

Significant costs associated with licenses and US market access are capitalised and amortised on a straight line basis over a period of their expected benefit.

### ii. Software

Software costs including capitalised betting platform development are capitalised and amortised on a straight-line basis over the period of their expected benefit being their finite life of 3 to 5 years.

### iii. Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### iv. Customer contracts

The Customer Contracts are existing service contracts with external customers. These Contracts have been acquired with a remaining contractual term of 3 years, with the option to renew at the end of the period at little or no cost to the Company.

### v. Non-compete arrangements

The Non-Compete Agreements are the contractual agreements between the Company and key executives and key personnel that prohibited from being employed, or otherwise engaged in any business in competition with the business for a period post completion of the acquisition. The Non-Compete Agreements have been assessed with a useful economic life of three years.

## Q. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**R. LEASE LIABILITIES**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the groups' incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**S. PROVISIONS**

Provisions for legal claims, chargebacks and other obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Lease make good provision**

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

**T. EMPLOYEE BENEFITS****i. Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated Statement of Financial Position.

**ii. Other long-term employee benefit obligations**

In some countries, the Group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.



### iii. Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### iv. Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Binomial option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## U. FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

## V. CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## W. EARNINGS PER SHARE

The Group presents basic and, when applicable, diluted earnings per share ("EPS") data for its ordinary shares.

### i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

### ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

## X. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Y. PARENT ENTITY

In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in Note 30.

## Z. DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group where the operations and cash flows can be clearly distinguished from the rest of the Group. It represents a separate major line of operations and is part of a single co-ordinated plan to dispose of a separate major line of operation or business.

Classification as a discontinued operation occurs at the earlier of disposal date or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

## 2. CHANGES IN ACCOUNTING POLICIES

As explained in Note 1(a) above, the Group has adopted new or revised accounting standards this year that have resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

## 3. CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

### A. SIGNIFICANT ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### B. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### i. Estimation of useful life of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### ii. Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### iii. Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### iv. Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### v. Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

**vi. Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**vii. Goodwill and other indefinite life intangible assets**

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

**4. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of market risk (foreign exchange and cash flow and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by management under policies approved by the Board of Directors ("the Board"). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the group and reports to the Board on a regular basis.

**A. MARKET RISK****i. Foreign exchange risk****Exposure**

The Group is exposed to foreign currency risk in respect of revenue, expenses, trade receivables, cash and cash equivalents, and other financial assets, and financial liabilities (primarily trade payables, accruals, and client liability balances) that are denominated in currencies that are not the functional currency of the group, being Australian Dollar ("AUD"). The primary currencies that the Group is exposed to fluctuations is the US Dollar ("USD") and the Canadian Dollar ("CAD").

As at 30 June 2023, the Group's exposure to foreign currency at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 June 2023 AUD \$'000	30 June 2022 AUD \$'000
<b>Financial assets and cash and cash equivalents</b>		
USD	28,800	257,737
CAD	7,300	-
<b>Total</b>	<b>36,100</b>	<b>257,737</b>

**Instruments used by the Group**

The Group operates internationally and is exposed to foreign exchange risk, primarily the USD and CAD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a current that is not the functional currency of the relevant Group entity.

Whilst the Group does not actively hedge its foreign currency exposure on its trading cash flows, it monitors exposures to individual exposures and where appropriate and approved by the Board enter into spot or forward foreign exchange contracts.

### **Derivatives not designated as hedging instruments**

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 12 months.

The Group is holding the following foreign currency forward contracts:

<b>Foreign exchange forward contracts (highly probable cash received on US disposal)</b>	<b>Maturity AUD \$'000</b>				<b>Total</b>
	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 to 6 months</b>	<b>6 to 12 months</b>	
<b>2023</b>					
Notional amount in USD	–	100,000	–	–	100,000
Average forward rate AUD/USD	–	0.6645	–	–	–
<b>2022</b>					
<b>Foreign exchange forward contracts</b>					
Notional amount in USD	–	–	–	–	–
Average forward rate AUD/USD	–	–	–	–	–

### **Sensitivity**

The Group had financial assets (Cash and Cash Equivalents) denominated in foreign currencies in Australia. Based on this exposure, had the Australian dollar weakened by 5%/strengthened by 10% against these foreign currencies with all other variables held constant, the group's loss before tax for the year would have been \$1.9 million lower/\$4.0 million higher and equity would have been \$1.9 million higher/\$4.0 million lower.

The foreign currency forward contract would have an impact to the company's profit before tax for the year of \$8 million for a 5% strengthen or weaken in the Australian dollar.

### **ii. Cash flow and fair value interest rate risk**

The Group is exposed to interest rate risk on certain of its cash and cash equivalents and any long term-borrowings. As at 30 June 2023, the Group did not hold any long-term borrowings (30 June 2022: \$nil). Excess cash and cash equivalents, where applicable are invested in interest-bearing term deposits on which the interest rate is fixed for the term of the deposit. At call deposits attract low interest rates and therefore do not materially impact the interest income earned by the Group.

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**B. LIQUIDITY RISK**

Liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

**i. Maturities of financial liabilities**

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Financial (Assets)/Liabilities	Interest rate	1 year or less \$'000	Between 1 and 2 years \$'000	Over 2 years \$'000	Total contractual cash flows \$'000	Carrying amount (Assets)/ Liabilities \$'000
<b>At 30 June 2023</b>						
<b>Non-derivatives</b>						
Investment held at fair value	–	(340,941)	–	–	(340,941)	(340,941)
Trade and other payables	–	59,089	–	–	59,089	59,089
Other liabilities	–	12,872	–	–	12,872	12,872
Lease Liabilities	6.0%	1,551	911	1,516	3,978	3,591
<b>Total non-derivatives</b>		<b>(267,429)</b>	<b>911</b>	<b>1,516</b>	<b>(265,002)</b>	<b>(265,389)</b>
<b>Derivatives</b>						
Pending bets	–	1,973	–	–	1,973	1,973
<b>Total derivatives</b>		<b>1,973</b>	<b>–</b>	<b>–</b>	<b>1,973</b>	<b>1,973</b>
<b>At 30 June 2022</b>						
<b>Non-derivatives</b>						
Trade and other payables	–	46,177	–	–	46,177	46,177
Other liabilities	–	41,614	–	–	41,614	41,614
Lease Liabilities	5.7%	5,425	4,535	11,745	21,705	17,700
Financial Liabilities	8.39%	–	–	105,324	105,324	79,708
<b>Total non-derivatives</b>		<b>93,216</b>	<b>4,535</b>	<b>117,069</b>	<b>214,820</b>	<b>185,199</b>
<b>Derivatives</b>						
Pending bets	–	5,130	–	–	5,130	5,130
<b>Total derivatives</b>		<b>5,130</b>	<b>–</b>	<b>–</b>	<b>5,130</b>	<b>5,130</b>

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## C. RECOGNISED FAIR VALUE MEASUREMENTS – FINANCIAL ASSETS AND LIABILITIES

### i. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 30 June 2023</b>				
<b>Financial liabilities</b>				
Pending bets	-	-	1,973	1,973
Financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,973</b>	<b>1,973</b>
<b>At 30 June 2022</b>				
<b>Financial liabilities</b>				
Pending bets	-	-	5,130	5,130
Financial liabilities	-	79,708	-	76,078
<b>Total financial liabilities</b>	<b>-</b>	<b>79,708</b>	<b>5,130</b>	<b>84,838</b>

### Disclosed fair values

There were no transfers between levels during the year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

### ii. Valuation techniques used to determine fair values

Pending bets have been valued based on the amount of unsettled bets at year end, adjusted for the average net win in each open market.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

**iii. Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the years ended 30 June 2023 and 30 June 2022:

	<b>Pending Bets \$'000</b>
<b>Opening balance 1 July 2021</b>	4,149
Bets placed	498,920
Bets settled	(497,927)
Fair value gains recognised in revenue	(12)
<b>Closing balance 30 June 2022</b>	<b>5,130</b>
Bets placed	<b>314,788</b>
Bets settled	<b>(310,609)</b>
Fair value gains recognised in revenue	<b>38</b>
Pending bets disposed through discontinued operations	<b>(2,244)</b>
<b>Closing balance 30 June 2023</b>	<b>1,973</b>

**5. SEGMENT INFORMATION****A. DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES**

The Group has determined that its operating segments are its reportable segments. The group's reportable segments are as follows:

- Australian Trading;
- Canada Trading; and
- The Technology segment.

This is based on the internal management reports that are reviewed by the Chief Executive Officer who is identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Australian trading segment derives revenue from sports and racing betting services provided to Australian customers. The group reports the gains and losses on all betting positions as revenue, which is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments net of GST.

The Canada trading segment derives revenue from sports betting and iGaming services provided to Canadian customers.

The Technology segment derives its revenue from licensing fees charged to the Australian Trading segment and the Canadian Trading segment.

Corporate administrative costs (Board, Finance, Legal, Human Resources, Property, and other central functions) are costs that cannot be readily allocated to individual operating segments and are not used by the CODM for making operating and resource allocation decisions. Hence, these are shown in the reconciliation of reportable segments to Group totals.

**Intersegment transactions**

Transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

**Intersegment receivables, payables and loans**

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

**Accounting policy for operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal management reports provided to the CODM. The CODM is responsible for the allocation of resources to the operating segments and assessing their performance.

**Major customers**

There are no major customers that represented more than 10% of the Company's external revenue.



## B. SEGMENT RESULTS

The CODM primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the CODM also receives information about the segments' revenue and assets on a monthly basis.

EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as unrealised gains or losses on financial instruments, impairment expense and performance related share based expense.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Information about segment revenue is disclosed as follows:

	Australian Trading \$'000	Canada Trading \$'000	Technology \$'000	Corporate \$'000	Total Continuing Operations \$'000	Total Discontinued Operations \$'000	Total Consolidated \$'000
<b>30 June 2023</b>							
Segment revenue	192,094	18,204	–	–	210,298	172,844	383,142
Inter-segment revenue	–	–	20,713	–	20,713	12,975	34,865
Elimination of intersegment sales	–	–	(20,713)	–	(20,713)	(12,975)	(34,865)
<b>Revenue from external customers</b>	<b>192,094</b>	<b>18,204</b>	<b>–</b>	<b>–</b>	<b>210,298</b>	<b>172,844</b>	<b>383,142</b>
<b>Segment EBITDA</b>	<b>52</b>	<b>(35,818)</b>	<b>(8,365)</b>	<b>(12,820)</b>	<b>(56,951)</b>	<b>(186,114)</b>	<b>(243,065)</b>
Finance costs					(150)	(26,483)	(26,633)
Interest revenue					8,105	38	8,143
Depreciation and amortisation					(27,962)	(30,631)	(58,593)
Net foreign exchange gain/(losses)					6,093	(245)	5,848
Impairment expense					(15,157)	(290)	(15,447)
Other expenses					(5,524)	(4,285)	(9,809)
Performance related share based expense					(16,264)	(16,760)	(33,024)
<b>Income tax</b>					<b>(70)</b>	<b>3,045</b>	<b>2,975</b>
<b>Loss after income tax</b>					<b>(107,880)</b>	<b>(261,725)</b>	<b>(369,605)</b>
Net gain on deconsolidation					–	93,292	93,292
<b>Total loss for the year</b>					<b>(107,880)</b>	<b>(168,433)</b>	<b>(276,313)</b>

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	Australian Trading \$'000	Canada Trading \$'000	Technology \$'000	Corporate <sup>1</sup> \$'000	Total Continuing Operations \$'000	Total Discontinued Operations \$'000	Total Consolidated \$'000
<b>30 June 2022</b>							
Segment revenue	195,244	170	–	–	195,414	101,069	296,483
Inter-segment revenue	–	–	17,499	–	17,499	8,514	26,013
Elimination of intersegment sales	–	–	(17,499)	–	(17,499)	(8,514)	(26,013)
<b>Revenue from external customers</b>	<b>195,244</b>	<b>170</b>	<b>–</b>	<b>–</b>	<b>195,414</b>	<b>101,069</b>	<b>296,483</b>
<b>Segment EBITDA</b>	<b>7,686</b>	<b>(15,637)</b>	<b>(3,261)</b>	<b>(14,990)</b>	<b>(26,202)</b>	<b>(223,797)</b>	<b>(250,000)</b>
Finance costs					(107)	(4,386)	(4,493)
Interest revenue					1,467	5	1,472
Depreciation and amortisation					(9,798)	(21,554)	(31,352)
Net foreign exchange (losses)					14,057	70	14,127
Income tax expense					–	2,558	2,558
<b>Loss after income tax</b>					<b>(20,584)</b>	<b>(247,105)</b>	<b>(267,689)</b>

1. Costs involved with the startup of the PointsBet Canada operations were allocated to the Corporate segment for the first 6 months of the financial year until the business was operational and a material component of the Group.

## 6. REVENUE

Revenue disaggregated by geographic region and revenue type.

	Australia \$'000	Canada \$'000	Total \$'000
Sportsbetting <sup>1</sup>	192,094	6,125	198,219
iGaming revenue <sup>2</sup>	–	12,079	12,079
<b>Total revenue from continuing operations</b>	<b>192,094</b>	<b>18,204</b>	<b>210,298</b>

<b>As at 30 June 2022</b>	Australia \$'000	Canada \$'000	Restated Total \$'000
Sportsbetting <sup>1</sup>	195,244	(493)	194,751
iGaming revenue <sup>2</sup>	–	663	663
<b>Total revenue from continuing operations</b>	<b>195,244</b>	<b>170</b>	<b>195,414</b>

1. Sportsbetting revenue comprises the fair value of the consideration received or receivable from clients on sportsbetting products less GST, free bets, promotions, bonuses and other fair value adjustments.

2. iGaming revenue comprises iGaming net win.

## 7. TOTAL OTHER INCOME ITEMS

### A. TOTAL OTHER INCOME

	30 June 2023 \$'000	Restated 30 June 2022 \$'000
Net foreign exchange gains	6,093	14,057
Research and development income	–	200
<b>Total other income</b>	<b>6,093</b>	<b>14,257</b>

### B. FINANCE INCOME AND COSTS

	30 June 2023 \$'000	Restated 30 June 2022 \$'000
<b>Finance income</b>		
Interest income	8,105	1,467
<b>Finance income</b>	<b>8,105</b>	<b>1,467</b>
<b>Finance costs</b>		
Interest expense leases	(150)	(107)
<b>Finance costs expensed</b>	<b>(150)</b>	<b>(107)</b>
<b>Net finance income/(expenses)</b>	<b>7,955</b>	<b>(1,360)</b>

## 8. EXPENSES

	30 June 2023 \$'000	Restated 30 June 2022 \$'000
<b>Employee benefits expenses</b>		
Salaries	31,482	22,425
Superannuation	3,380	2,531
Share options expense	25,728	4,547
Other employee costs	4,310	3,856
<b>Total employee benefits expenses</b>	<b>64,900</b>	<b>33,359</b>
<b>Depreciation and amortisation</b>		
Depreciation	1,135	801
Amortisation	26,827	8,997
<b>Total depreciation and amortisation</b>	<b>27,962</b>	<b>9,798</b>

Share options expense includes the acceleration of all unvested KEEP expenditure in the current year as a result of the sale of US operations and decision by the Board to vest employee KEEP at the final close. The impact of the acceleration is \$12.5 million.

**9. INCOME TAX EXPENSE****A. INCOME TAX EXPENSE**

	30 June 2023			30 June 2022		
	Continuing \$'000	Discontinuing \$'000	Consolidated \$'000	Continuing \$'000	Discontinuing \$'000	Consolidated \$'000
<i>Current tax</i>						
Current tax on profits for the year	70	–	70	–	–	–
Adjustments for current tax of prior periods	–	–	–	–	–	–
<b>Total current tax expense</b>	<b>70</b>	<b>–</b>	<b>70</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>Deferred income tax</i>						
(Decrease)/Increase in deferred tax liabilities	–	(3,045)	(3,045)	–	(2,558)	(2,558)
<b>Total deferred tax expense/(benefit)</b>	<b>70</b>	<b>(3,045)</b>	<b>(3,045)</b>	<b>–</b>	<b>(2,558)</b>	<b>(2,558)</b>
<b>Income tax expense/(benefit)</b>	<b>70</b>	<b>(3,045)</b>	<b>(2,975)</b>	<b>–</b>	<b>(2,558)</b>	<b>(2,558)</b>

**B. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE**

	30 June 2023			30 June 2022		
	Continuing \$'000	Discontinuing \$'000	Consolidated \$'000	Continuing \$'000	Discontinuing \$'000	Consolidated \$'000
Loss from continuing operations before income tax expense	(107,810)	(264,770)	(372,580)	(20,584)	(249,663)	(270,247)
Tax at the Australian tax rate of 30% (2022 30%)	(32,343)	(79,431)	(111,774)	(6,175)	(74,899)	(81,074)
Impact of foreign tax rate differences	1,344	8,939	10,283	655	7,921	8,576
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:						
Non-deductible expenses related to separate R&D claim	485	–	485	133	–	133
Other permanent differences	15,583	1,107	16,691	637	173	810
<b>Subtotal</b>	<b>(14,930)</b>	<b>(69,385)</b>	<b>(84,315)</b>	<b>(4,751)</b>	<b>(66,804)</b>	<b>(71,556)</b>
<b>Less: income tax losses utilised</b>	<b>–</b>					
Unrecognised deferred tax assets	14,860	72,430	87,290	4,751	69,362	74,114
<b>Income tax (expense)/benefit</b>	<b>(70)</b>	<b>3,045</b>	<b>2,975</b>	<b>–</b>	<b>2,558</b>	<b>2,558</b>

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## i. Tax losses

	30 June 2023 \$'000	30 June 2022 \$'000
<b>Unused tax losses for which no deferred tax asset has been recognised</b>	<b>143,571</b>	<b>617,496</b>

As a result of the formation of an Australian tax consolidated group as of 1 January 2023, there are unrecognised tax losses which the recoupment is subject to satisfying the loss transfer tests, and the rate at which the losses can be utilized is limited by the available fraction for each loss bundle.

## C. DEFERRED TAX ASSETS/LIABILITIES

	30 June 2023 \$'000	30 June 2022 \$'000
<b>The balance comprises temporary differences attributable to:</b>		
Tax losses	41,073	168,748
Less: temporary differences not recognised	(70,179)	(168,693)
Employee entitlements	1,054	1,180
Employee share scheme amounts	4,445	–
Investments / business combinations	685	356
Provisions for chargebacks and make good provision	6,721	70
Blackhole expenditure	1,494	2,145
Other accruals	11,783	2,547
Carry-forward R&D tax offset credits	12,625	10,463
Lease liability	416	1,217
<b>Total deferred tax assets</b>	<b>10,117</b>	<b>18,033</b>
Foreign currency translations & revaluations	(1,820)	(4,238)
Intangibles	(7,824)	(13,274)
Plant & Equipment	(70)	(1,233)
Right-of-use-asset	(402)	(439)
Prepayments	–	(6,047)
<b>Total deferred tax liabilities pursuant to set- off provisions</b>	<b>(10,117)</b>	<b>(11,601)</b>
<b>Net deferred tax assets</b>	<b>–</b>	<b>(7,198)</b>

## 10. CASH AND CASH EQUIVALENTS

	30 June 2023 \$'000	30 June 2022 \$'000
<b>Current assets</b>		
Cash at bank and in hand	137,438	168,363
Player cash	17,404	46,892
Cash term deposits	57,210	304,341
<b>Total cash and cash equivalents</b>	<b>212,052</b>	<b>519,596</b>

Player cash accounts represent cash deposited by a customer to be used on betting activities and the Company maintains separate bank accounts to segregate players funds held from the Group bank accounts and Group funds. The Group funds are unrestricted and available for use by the Group. The balance of the player cash accounts held is sufficient to settle the player cash liability disclosed in Notes 18 and 20.

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**11. TRADE AND OTHER RECEIVABLES**

	30 June 2023 \$'000	30 June 2022 \$'000
Trade receivables	–	1,054
Other receivables	2,085	2,460
<b>Total trade and other receivables</b>	<b>2,085</b>	<b>3,514</b>

**A. CLASSIFICATION AS TRADE RECEIVABLES**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

**B. OTHER RECEIVABLES**

These amounts generally arise from transactions outside the usual operating activities of the group. Collateral is not normally obtained.

**C. FAIR VALUE OF TRADE RECEIVABLES**

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

**12. OTHER ASSETS**

	30 June 2023			30 June 2022		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Prepayments	4,849	–	4,849	79,729	101,818	181,547
Receivables	–	–	–	–	1,188	1,188
Rental bonds	–	1,262	1,262	–	2,413	2,413
Deposits held in escrow	–	–	–	–	16,205	16,205
<b>Total</b>	<b>4,849</b>	<b>1,262</b>	<b>6,111</b>	<b>79,729</b>	<b>121,624</b>	<b>201,353</b>

At 30 June 2022, the Group had prepayments of \$161 million from NBC Universal for future marketing spend. In April 2023 NBC Universal waived their right to equity options and elected for cash to be received and as a result the prepayment was derecognised along with the financial liability. Any remaining prepayment has also been derecognised as a result of the loss of control of the US business.

### 13. PLANT AND EQUIPMENT

	Office equipment \$'000	Computer equipment \$'000	Leasehold improvements \$'000	Retail Sportsbook \$'000	Assets under construction \$'000	Total \$'000
<b>At 1 July 2022</b>						
Cost	565	3,101	5,830	4,858	983	15,337
Accumulated depreciation	(209)	(1,972)	(2,163)	(1,563)	–	(5,907)
Net book amount	356	1,129	3,667	3,295	983	9,430
<b>Year ended 30 June 2023</b>						
Opening net book amount	356	1,129	3,667	3,295	983	9,430
Exchange differences	10	48	143	133	65	399
Additions	694	361	381	328	–	1,764
Disposals through deconsolidation of entities	(615)	(531)	(2,594)	(3,891)	–	(7,631)
Transfers	–	–	–	1,048	(1,048)	–
Depreciation charge	(289)	(803)	(1,483)	(913)	–	(3,488)
<b>Closing net book amount</b>	<b>156</b>	<b>204</b>	<b>114</b>	<b>–</b>	<b>–</b>	<b>474</b>
<b>At 30 June 2023</b>						
Cost	246	995	1,710	–	–	2,951
Accumulated depreciation	(90)	(791)	(1,596)	–	–	(2,477)
<b>Net book amount</b>	<b>156</b>	<b>204</b>	<b>114</b>	<b>–</b>	<b>–</b>	<b>474</b>

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**14. INTANGIBLE ASSETS**

	Licences and market access \$'000	Software \$'000	Goodwill \$'000	Customer contracts \$'000	Non-competes Agreements \$'000	Racing track agreements \$'000	Total \$'000
<b>At 30 June 2022</b>							
Cost	124,376	70,727	35,066	5,302	14,182	286	249,653
Accumulated amortisation and impairment	(13,288)	(16,143)	–	(2,111)	(5,647)	(286)	(37,189)
<b>Net book amount</b>	<b>111,088</b>	<b>54,584</b>	<b>35,066</b>	<b>3,191</b>	<b>8,535</b>	<b>–</b>	<b>212,464</b>
<b>Year ended 30 June 2023</b>							
Opening net book amount	111,088	54,584	35,066	3,191	8,535	–	212,464
Exchange differences	4,201	930	2,704	164	437	–	8,436
Additions	2,911	43,173	–	–	–	–	46,084
Impairment	(290)	(15,157)	–	–	–	–	(15,447)
Disposals through discontinued operations	(106,055)	(12,145)	(37,770)	(1,540)	(4,118)	–	(161,628)
Amortisation charge	(11,855)	(29,762)	–	(1,815)	(4,854)	–	(48,286)
<b>Closing net book amount</b>	<b>–</b>	<b>41,623</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>41,623</b>
<b>At 30 June 2023</b>							
Cost	114	95,798	–	–	–	–	95,912
Accumulated amortisation and impairment	(114)	(54,175)	–	–	–	–	(54,289)
<b>Net book amount</b>	<b>–</b>	<b>41,623</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>41,623</b>

**A. IMPAIRMENT**

An impairment charge of \$15.0 million was recognised in the period related to the Group's internally developed betting platform which specifically supported the US business which has been classified as a discontinued operation. Although the Group will continue to own the sports wagering and iGaming technology platform there are specific assets which were created related to the US business which it is not considered probable that future economic benefit will be attributable to these assets and as such have been impaired to nil value.



## 15. LEASES

### A. MOVEMENTS IN RIGHT-OF-USE ASSET

	30 June 2023 \$'000	30 June 2022 \$'000
Opening net book amount	14,730	9,138
Additions	5,794	8,843
Exchange Rate Differences	702	787
Disposals through deconsolidation of entities	(11,311)	-
Terminations	(968)	-
Amortisation charge	(5,464)	(4,038)
<b>Net book amount</b>	<b>3,483</b>	<b>14,730</b>

The Group leases buildings for its offices under agreements of between three and ten years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases plant and equipment under agreements of between one to three years.

The Group leases office equipment under agreements of less than three years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

### B. LIABILITIES RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2023 \$'000	30 June 2022 \$'000
Current	1,340	4,508
Non-current	2,251	13,192
<b>Total lease liabilities</b>	<b>3,591</b>	<b>17,700</b>

### C. AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2023 \$'000	30 June 2022 \$'000
Amortisation expense of right-of-use-assets	(5,464)	(4,038)
Interest expense on lease liabilities	(1,034)	(860)
<b>Total amount recognised in profit or loss</b>	<b>(6,498)</b>	<b>(4,898)</b>

### D. CHANGES IN LEASE LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30 June 2023 \$'000	30 June 2022 \$'000
Opening balance	17,700	11,639
Net cash used in financing activities	(5,210)	(3,821)
Accretion of Interest	1,034	860
Terminations	(1,151)	-
Disposals through deconsolidation of entities	(14,632)	-
Acquisition of leases	5,850	9,022
<b>Total lease liabilities</b>	<b>3,591</b>	<b>17,700</b>

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**16. TRADE AND OTHER PAYABLES**

	30 June 2023 \$'000	30 June 2022 \$'000
Trade payables	7,703	7,041
Accrued expenses	48,692	36,640
Other payables	2,694	2,496
<b>Trade and other payables</b>	<b>59,089</b>	<b>46,177</b>

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**17. EMPLOYEE BENEFIT OBLIGATIONS**

	30 June 2023			30 June 2022		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Leave obligations (a)	3,250	551	3,801	4,294	378	4,672
<b>Total employee benefit obligations</b>	<b>3,250</b>	<b>551</b>	<b>3,801</b>	<b>4,294</b>	<b>378</b>	<b>4,672</b>

**A. Leave Obligations**

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required year of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the annual leave provision is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

**18. FINANCIAL LIABILITIES**

	30 June 2023			30 June 2022		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Pending bets – at fair value	1,973	–	1,973	5,130	–	5,130
Financial liabilities	–	–	–	–	79,708	79,708
<b>Total</b>	<b>1,973</b>	<b>–</b>	<b>1,973</b>	<b>5,130</b>	<b>79,708</b>	<b>84,838</b>

At 30 June 2022 the Group had a financial liability of \$79.7 million which represented the fair value of the 66.88 million options NBC Universal had on issue convertible in cash or equity. In April 2023, NBC Universal waived their right to exercise 66.88 million options and instead receive cash in line with the Subscription Agreement. As a result the financial liability has been fully unwound and derecognised.

## 19. PROVISIONS

	30 June 2023			30 June 2022		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Provision for chargebacks	–	–	–	117	–	117
Make good provision	–	62	–	–	404	404
Restructuring provision <sup>1</sup>	22,344	–	22,344	–	–	–
<b>Total</b>	<b>22,344</b>	<b>62</b>	<b>22,344</b>	<b>117</b>	<b>404</b>	<b>521</b>

1. Restructuring provision relating direct expenditures arising from the sale of the US business and not associated with the ongoing activities of the Group.

## 20. OTHER LIABILITIES

	30 June 2023			30 June 2022		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Player cash accounts	12,872	–	12,872	41,614	–	41,614
Market access liability	–	–	–	1,815	5,807	7,622
Reward points liability	1,582	–	1,582	2,127	–	2,127
<b>Total</b>	<b>14,454</b>	<b>–</b>	<b>14,454</b>	<b>45,556</b>	<b>5,807</b>	<b>51,363</b>

Player cash accounts and rewards points liabilities can be converted and redeemed at any time and therefore are regarded as current.

## 21. CONTRIBUTED EQUITY

### A. SHARE CAPITAL

	2023 Shares '000	2022 Shares '000	2023 \$ '000	2022 \$ '000
Ordinary shares				
<b>Fully paid</b>	<b>307,078</b>	<b>303,618</b>	<b>1,204,351</b>	<b>1,197,010</b>

### B. MOVEMENTS IN ORDINARY SHARES

Details	Share price \$	Number of shares '000	Total \$'000
Opening balance 1 July 2022	–	303,618	1,197,010
Exercise of options	1.61	3,252	5,228
Issued capital	2.03	136	276
Vested KEEP rights	7.23	330	2,384
Share forfeitures	1.70	(258)	(438)
Less: Share issue costs		–	(109)
<b>Balance at 30 June 2023</b>		<b>307,078</b>	<b>1,204,351</b>

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**C. ORDINARY SHARES**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares presents at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**D. CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the Consolidated Statement of Financial Position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt as appropriate in managing its capital structure.

The Group would only look to raise capital when an opportunity to invest in the Company and seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

**22. RESERVES AND ACCUMULATED LOSSES****A. RESERVES**

The following table shows a breakdown of the Consolidated Statement of Financial Position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Share-based payments \$'000	Foreign currency translation \$'000	Total other reserves \$'000
<b>At 1 July 2021</b>	<b>74,990</b>	<b>(12,358)</b>	<b>62,632</b>
Other currency translation differences	–	21,839	21,839
Transactions with owners in their capacity as owners:			
Share-based payment expenses	9,523	–	9,523
Option exercises	(5,836)	–	(5,836)
Share-based payment – ABG-Shaq LLC	91	–	91
<b>At 30 June 2022</b>	<b>78,768</b>	<b>9,481</b>	<b>88,249</b>
Other currency translation differences in year	–	6,146	6,146
Release of foreign currency translation reserve for deconsolidated entities	–	(15,394)	(15,394)
Transactions with owners in their capacity as owners:			
Share-based payment expenses	49,603	–	49,603
Release of NBC share options fair value on distinguishment of option liability	(32,638)	–	(32,638)
Vested KEEP rights	(2,384)	–	(2,384)
Option exercises	(3,899)	–	(3,899)
<b>At 30 June 2023</b>	<b>89,450</b>	<b>233</b>	<b>89,683</b>

## i. Nature and purpose of other reserves

### Share-based payments

The share-based payments reserve is used to recognise

- the grant date fair value of options issued to employees under the ESOP plan but not yet exercised.
- the grant date fair value of performance share rights issued to employees but not yet vested.
- the grant date fair value of options issued to ABG-Shaq but not exercised.

### ii. Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of as has occurred in FY23 for the deconsolidation of the US operations.

## 23. SHARE-BASED PAYMENTS

### A. EMPLOYEE OPTION PLAN

Employee Share Option Plan (ESOP) – The terms of the ESOP were disclosed in the Prospectus dated 16 May 2019. The ESOP is designed to provide options over ordinary shares in PointsBet Holdings Limited for senior managers and key management personnel to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Set out below are summaries of options granted under the plan:

	30 June 2023		30 June 2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 July	\$1.27	9,361,613	\$1.16	10,788,719
Exercised during the year	\$0.33	(3,252,423)	\$0.33	(1,377,106)
Expired during the year	\$1.67	(442,893)	–	–
Forfeited during the year	\$3.71	(175,000)	\$3.71	(50,000)
As at 30 June	\$1.73	5,491,297	\$1.27	9,361,613
Vested and exercisable at 30 June	\$1.70	3,355,492	\$0.88	3,432,711

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Weighted Average Exercise Price	30 June 2023	Granted	Exercised	Expired	Forfeited	30 June 2022
FY19	FY24	0.23	–	–	(1,761)	–	–	1,761
FY19	FY25	0.41	1,358	–	(517)	–	–	1,875
FY19	FY26	0.41	1,698	–	(834)	–	–	2,533
FY20	FY23	1.67	–	–	(141)	(443)	–	584
FY20	FY24	1.67	423	–	–	–	–	423
FY20	FY25	3.34	1,149	–	–	–	(88)	1,237
FY20	FY26	4.08	763	–	–	–	(88)	850
FY21	FY26	3.44	50	–	–	–	–	50
FY21	FY27	3.44	50	–	–	–	–	50
			<b>5,491</b>	<b>–</b>	<b>(3,252)</b>	<b>(443)</b>	<b>(175)</b>	<b>9,361</b>

Weighted average remaining contractual life of options at 30 June 2023 was 1.41 years and was 1.94 years at 30 June 2022.

The total share based payment expense recognised in continuing operations from the amortisation of employee share option plans was \$1.9 million.

**B. NBC UNIVERSAL TRANSACTION**

On 28 August 2020, PointsBet USA Inc. ("PointsBet"), a wholly owned subsidiary of PointsBet Holdings Limited ("the group"), entered into an agreement with NBC Universal Media LLC ("NBC Universal"), a subsidiary of Comcast Corporation entered into a five-year media partnership. Further details of this agreement can be found in the FY2021 Annual Report.

In April 2023, NBC Universal waived their right to exercise 66.88 million options and instead receive cash in line with the Subscription Agreement. As a result the \$32.6 million representing the fair value of the options which was previously recorded in the share based payment reserve was recycled to retained earnings. The financial liability and prepayment related to the NBC Subscription Agreement have been de-recognized as a result of the loss of control of PointsBet USA Inc.

**C. PBHO LISTED OPTIONS**

In September 2020, the Company completed a 1 for 6.5 pro rata accelerated renounceable entitlement offer of New Shares at an Offer Price of \$6.50 per share raising \$153.2 million gross proceeds. Eligible Shareholders received one new option for every two shares issued under the entitlement offer, at no further cost. The PBHO Listed Options expired on 30 September 2022.

	30 June 2023 Number of options	30 June 2022 Number of options
As at 1 July	11,780,241	11,780,426
Granted during the year	–	–
Exercised during the year	(33)	(185)
Expired during the year	11,780,208	–
As at 30 June	–	11,780,241
<b>Vested and exercisable at 30 June</b>	<b>–</b>	<b>11,780,241</b>

**D. KEY EMPLOYEE EQUITY PLAN**

Key Employee Equity Plan (KEEP) – The terms of the KEEP were disclosed in the KEEP Plan Rules dated 17 November 2020. The KEEP is a long-term employee share scheme that provides eligible employees to be offered conditional rights to fully paid ordinary shares in the Company upon satisfaction of vesting criteria over the vesting periods for no cash consideration.

Fair value has been measured at the share price at grant date.

	30 June 2023			30 June 2022		
	Number of options	Fair Value \$'000	Average Share Price at Fair Value	Number of options	Fair Value \$'000	Share Price at Fair Value
As at 1 July	1,777,615	15,839	8.91	715,380	5,004	6.99
Granted during the year	5,887,648	17,036	2.89	1,385,910	13,622	9.83
Vested during the year	(6,662,847)	(28,875)	4.33	–	–	–
Forfeited during the year	(1,002,416)	(4,000)	3.99	(323,675)	(2,787)	8.61
As at 30 June	–	–	–	1,777,615	15,839	8.91

- As a result of the disposal of the US and Ireland operations the Board has utilised its discretionary powers to determine the number of rights for employees which will vest on final completion. This decision will be made at final completion however for accounting purposes the performance rights have deemed to vest at 30 June 2023 and the full acceleration of expense recorded in the FY23 results related to any remaining rights on issue.

## EXECUTIVES KEEP

The Group has established a new-long term incentive program (LTI) structure utilising the existing Key Employee Equity Plan (KEEP) Rules, effective 1 July 2022, for the CEO and his direct reports (Executives).

Three vesting conditions apply to LTI grants made during the period:

- Condition 1 – Relative Shareholder Return (RSR)
- Condition 2 – Path to Profitability (P2P)
- Condition 3 – Service Based

### Year 1

1 July 2023 – one-third ( $\frac{1}{3}$ rd) of total PSRs are capable of vesting as follows:

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

### Year 2

1 July 2024 – one-third ( $\frac{1}{3}$ rd) of total PSRs are capable of vesting as follows:

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

### Year 3

1 July 2025 – one-third ( $\frac{1}{3}$ rd) of total PSRs are capable of vesting as follows:

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

## Performance 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, the Group's compound shareholder return measured based on the movement in share price at the end of each year of the performance period must be equal to or greater than the median ranking of constituents of the Peer Comparator Group. 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.

**Performance Condition 2 – Path to Profitability (P2P)**

The P2P condition focuses on the path to profitability in the United States. As a growth company, it is accepted that the Group will need to invest in the present for success in the future. However, the path (or speed) to profitability in the United States is a key focus for management.

One of the key drivers for profitability, and an area which investors and analysts focus, is US marketing expense as a percentage of US revenue. The P2P condition measures the reduction in US marketing expense as a percentage of US 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 the Group's US marketing expense as a percentage of US revenue compared to FY22 must be equal to or greater than the following:

Where a the P2P vesting condition is not met or is partially met at the end of year one (i.e. percentage point decrease is less than 25 points after 12 months) or year two (i.e. percentage point decrease is less than 35 points 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 fair value of the PSR's is estimated at the grant date using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share rights were granted. The model simulates the RSR and compares it against the peer competitor group and takes into account historical and expected dividends, and the share price volatility of the Group relative to that of its competitors so as to predict the share performance. The P2P performance condition is only considered in determining the number of instruments that will ultimately vest.

The following lists the inputs to the models used for the valuation of the plan:

<b>Weighted average fair value at grant date</b>	<b>Expected volatility</b>	<b>Dividend yield</b>	<b>Interest rate</b>
\$2.46	95%	–%	3.01%

Set out below are summaries of rights granted under the plan:

	<b>30 June 2023</b>		
	<b>Number of options</b>	<b>Fair Value \$</b>	<b>Average Share Price at Fair Value</b>
As at 1 July	–	–	–
Granted during the year	10,261,260	25,127,589	2.45
Vested during the year	(8,673,892)	(21,240,471)	2.45
Forfeited during the year	(1,587,368)	(3,887,118)	2.45
As at 30 June	–	–	–

1. As a result of the disposal of the US and Ireland operations the Board has utilized its discretionary powers to determine the number of rights for employees which will vest on final completion. This decision will be made at final completion however for accounting purposes the performance rights have deemed to vest at 30 June 2023 and the full acceleration of expense recorded in the FY23 results related to any remaining rights on issue.

The total share-based payment expense recognised is continuing operations from the amortisation of KEEP performance rights was \$24.0 million. This includes the acceleration of all unvested KEEP expenditure in the current year as a result of the sale of US operations and decision by the Board to vest employee KEEP at the final close. The impact of the acceleration is \$12.5 million.



## E. GLOBAL ACQUISITION AND MATCHING EQUITY PLAN

The terms of the Global Acquisition and Matching Equity (GAME) Plan were disclosed in the GAME Plan Rules dated 22 May 2023. GAME Plan is a long-term employee share scheme available to eligible PointsBet employees. The Plan requires monthly contributions from the employee's after-tax remuneration and every six months the Company purchases shares on behalf of the employee. The employee receives one matching right for every two PointsBet Holding Limited shares which vest after two years.

Following the disposal of the US and Ireland business the decision was made to close the GAME Plan at the completion of the transaction and final vesting of rights will be determined at this date.

Fair value has been measured at the share price at grant date.

	2023		2022	
	Number of options	Fair Value \$	Number of options	Fair Value \$
As at 1 July	16,702	3.93	–	–
Granted during the year	110,289	1.36	17,114	3.93
Forfeited during the year	(4,328)	2.14	(412)	(3.93)
<b>As at 30 June</b>	<b>122,663</b>	<b>3.93</b>	<b>16,702</b>	<b>3.93</b>

## F. OTHER SHARE-BASED PAYMENT TRANSACTIONS

Total value of shares issued in consideration for Marketing and Sponsorship related services were as follows:

	2023	2022
Total value of shares issued in consideration for marketing and sponsorship related services were as follows:		
	79	3,028
Shares issued relating in reconsideration for marketing and sponsorship related services	79	3,028

## 24. LOSS PER SHARE

### A. BASIC AND DILUTED LOSS PER SHARE

	30 June 2023 cents	30 June 2022 cents
From continuing operations attributable to the ordinary equity holders of the Company	(35.3)	(8.1)
From discontinuing operations attributable to the ordinary equity holders of the Company	(55.0)	(96.7)
Total basic and diluted loss per share attributable to the ordinary equity holders of the Company	(90.3)	(104.8)

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**B. RECONCILIATIONS OF LOSSES USED IN CALCULATING LOSS PER SHARE**

	30 June 2023 \$'000	30 June 2022 \$'000
Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	(107,880)	(20,584)
From discontinuing operations	(168,433)	(247,105)
	<b>(276,313)</b>	<b>(267,689)</b>

**C. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED AS THE DENOMINATOR IN CALCULATING BASIC AND DILUTED LOSS PER SHARE**

	30 June 2023 Shares '000	30 June 2022 Shares '000
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	306,016	255,424
Adjustments for calculation of diluted earnings per share:		
Options	5,691	88,217
Performance Share Rights	16,740	1,794
<b>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted loss per share</b>	<b>328,447</b>	<b>345,435</b>

Options and performance share rights have been excluded from the above calculations in the current and previous year as their inclusion will be anti-dilutive.

**D. INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES****i. Options**

Options granted to employees under the Employee Option Plan are considered to be potential ordinary shares. They have been included in the determination of diluted loss per share if the required vesting condition have been met based on time-based vesting condition and to the extent to which they are dilutive. The options have not been included in determination of basic loss per share.

**ii. Performance share rights granted under the KEEP (Key Employment Equity Plan) and GAME (Global Acquisition and Matching Equity Plan)**

Performance share rights granted under the KEEP and GAME to employees under the Employee Option Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required vesting condition and satisfactory employee performance conditions have been met and to the extent to which they are dilutive. The performance share rights have not been included in determination of basic earnings per share.

Options and performance share rights have been excluded from the above calculations in the current and previous year as their inclusion will be anti-dilutive.

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## 25. CASH FLOW INFORMATION

### A. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2023 \$'000	2022 \$'000
Continuing operations loss for the year	(107,880)	(20,584)
Discontinuing operations loss for the year	(168,433)	(247,105)
<b>Loss for the year</b>	<b>(276,313)</b>	<b>(267,689)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	58,593	31,353
Share option expense	51,273	9,523
Net exchange differences	(6,285)	(14,127)
Income tax expense	–	(2,558)
Impairment Loss	15,156	151
R&D income	(768)	(418)
Interest expenses on convertible notes	5,819	5,695
Fair value loss on conversion of convertible notes	19,780	(2,062)
Net gain on disposal of discontinued operations	(93,291)	–
Decrease in trade and other receivables	1,429	1,861
Decrease/(increase) in other assets	33,174	(5,690)
Increase in trade and other payables and deferred income	(3,465)	7,327
Increase/(decrease) in contract liabilities	(12,263)	12,264
Increase/(decrease) in player cash accounts	(30,145)	15,296
Increase/(decrease) in deferred tax liability	(7,198)	2,945
Increase/(decrease) in other liabilities/provisions	(4,407)	8,600
Net cash outflow from operating activities	(248,912)	(197,529)

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**26. REMUNERATION OF AUDITORS**

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

**A. RSM AUSTRALIA PARTNERS****i. Audit and other assurance services**

	30 June 2023 \$'000	30 June 2022 \$'000
Audit and review of financial statements	302	286
<b>Total remuneration for audit and other assurance services</b>	<b>302</b>	<b>286</b>

**ii. Other Services**

	30 June 2023 \$'000	30 June 2022 \$'000
Other services	6	-
Total remuneration for other services	6	-
<b>Total auditors' remuneration</b>	<b>308</b>	<b>286</b>

**B. MEMBER FIRMS OF RSM AUSTRALIA****i. Audit and other assurance services**

	30 June 2023 \$'000	30 June 2022 \$'000
Audit and review of financial statements	837	428
<b>Total remuneration for audit and other assurance services</b>	<b>837</b>	<b>428</b>

**ii. Other Services**

	30 June 2023 \$'000	30 June 2022 \$'000
Other services	-	-
Total remuneration for other services	-	-
<b>Total auditors' remuneration</b>	<b>837</b>	<b>428</b>

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## 27. COMMITMENTS AND CONTINGENCIES

The Group had no contingent liabilities and no contingent assets as at 30 June 2023 (2022: nil).

The Group has no commitments as at 30 June 2023.

## 28. RELATED PARTY TRANSACTIONS

### A. PARENT ENTITIES

The Group is controlled by the following entities:

Name	Type	Place of incorporation	2023	2022
PointsBet Holdings Limited	Immediate and ultimate Group parent entity	Australia	100%	100%

### B. SUBSIDIARIES

Interests in subsidiaries are set out in Note 29.

### C. KEY MANAGEMENT PERSONNEL AND NON-EXECUTIVE DIRECTOR REMUNERATION COMPENSATION

	30 June 2023 \$'000	30 June 2022 \$'000
Short-term employee benefits	3,304	2,912
Post-employment benefits	128	330
Long-term benefits	69	41
Share-based payments	6,360	2,450
<b>Total</b>	<b>9,860</b>	<b>5,733</b>

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**D. TRANSACTIONS WITH OTHER RELATED PARTIES**

The following transactions occurred with related parties.

	30 June 2023 \$'000	30 June 2022 \$'000
<i>Sales and purchases of goods and services</i>		
Payment for services from Mills Oakley (AP Symons)	–	8
Payment for services from Druvstar (MG Singh)	3,025	1,420
Payment for services from Recastled (KM Gada)	64	151
<b>Total</b>	<b>3,089</b>	<b>1,579</b>

AP Symons, a Non-Executive Director, is a Partner at Mills Oakley Lawyers, the company's Australian legal advisor and services provider to the Company.

MG Singh, a Non-Executive Director, is the founder, owner and director of Druvstar, the Company's managed security services provider. MG Singh receives no compensation from Druvstar, has no operational day-to-day control of the business and transacts on an arm's-length basis with the Company.

KM Gada, a Non-Executive Director, is the founder and owner of Recastled, the Company's strategic advisor.

The following balances are outstanding at the end of the reporting year in relation to transaction with related parties:

	30 June 2023 \$'000	30 June 2022 \$'000
<i>Current payables (purchases of goods and services)</i>		
Payment for services from Mills Oakley (AP Symons)	–	–
Payment for services from Druvstar (MG Singh)	–	35
Payment for services from Recastled (KM Gada)	–	–
<b>Total</b>	<b>–</b>	<b>35</b>

**E. TERMS AND CONDITIONS**

All transactions were made on normal commercial terms and conditions and at market rates.

**F. LOANS TO/FROM RELATED PARTIES**

There were no loans to or from related parties at the current and previous reporting date.

## 29. INTEREST IN SUBSIDIARIES

### A. MATERIAL SUBSIDIARIES

The Group's principal subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name Of Entity	Place of business/country of incorporation	Principal activities
PointsBet Australia Pty Ltd	Australia	Online sports betting
PointsBet Pty Ltd	Australia	Software development
PointsBet USA Holding Inc <sup>2</sup>	USA	Holding company
PointsBet USA Inc <sup>2</sup>	USA	Holding company
PB Tech & Advisory LLC <sup>2</sup>	USA	Gaming support services
PointsBet New York LLC <sup>2</sup>	USA	Online sports betting
PointsBet New Jersey LLC <sup>2</sup>	USA	Online sports betting, iGaming
PointsBet Colorado LLC <sup>2</sup>	USA	Online sports betting
PointsBet Illinois LLC <sup>2</sup>	USA	Online and retail sports betting
PointsBet Iowa LLC <sup>2</sup>	USA	Online and retail sports betting
PointsBet Michigan LLC <sup>2</sup>	USA	Online sports betting, iGaming
PointsBet Michigan Retail LLC <sup>2</sup>	USA	Retail sports betting, (Dormant entity)
PointsBet West Virginia LLC <sup>2</sup>	USA	Online sports betting, iGaming
PointsBet Indiana LLC <sup>2</sup>	USA	Online sports betting
PointsBet Ohio LLC <sup>2,3</sup>	USA	Online sports betting
PointsBet Kansas LLC <sup>2,3</sup>	USA	Online sports betting
PointsBet Pennsylvania LLC <sup>2</sup>	USA	Online sports betting, iGaming
PointsBet Maryland LLC <sup>2,3</sup>	USA	Online and retail sports betting
PointsBet Arizona LLC <sup>2</sup>	USA	Dormant entity
Premier Turf Club LLC <sup>2</sup>	USA	Pari-mutuel ADW (Advanced Deposit Wagering Services)
PointsBet Tennessee LLC <sup>2</sup>	USA	Dormant entity
PointsBet Louisiana LLC <sup>2,3</sup>	USA	Online sports betting
PointsBet Massachusetts LLC <sup>2</sup>	USA	Dormant entity
PointsBet Wyoming LLC <sup>2</sup>	USA	Dormant entity
PointsBet Virginia LLC <sup>2</sup>	USA	Online sports betting
PointsBet Texas LLC <sup>2</sup>	USA	Dormant entity
PointsBet Connecticut LLC <sup>2</sup>	USA	Dormant entity
PointsBet Canada Holdings Inc.	Canada	Holding company
PB Canada Support Inc.	Canada	Support services to online sports betting and iGaming
PointsBet Canada Operations 1 Inc.	Canada	Online sports betting, iGaming
PointsBet Europe Limited <sup>2</sup>	Europe	Holding company
Banach Technology Limited <sup>2</sup>	Europe	B2B Services, Software Development
Banach Pty Ltd <sup>1,2</sup>	Australia	Dormant entity, de-registered
PointsBet UK Limited <sup>2</sup>	United Kingdom	Support services
PBH Softech Private Limited <sup>4</sup>	India	Software development

1. Banach Pty Ltd became dormant in 2022.

2. These entities were part of the sale to Fanatics in 2023 and although legal ownership continues to be Pointsbet until certain milestone dates, control was lost when shareholder approval was gained which resulted in FBG obtaining the rights and power to variable returns.

3. These entities started trading in 2023.

4. PBH Softech Private Limited was set up in 2023 with 100% group ownership.

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**30. PARENT ENTITY FINANCIAL INFORMATION**

	30 June 2023 \$'000	30 June 2022 \$'000
Balance sheet		
Current assets <sup>1</sup>	503,754	431,668
Non-current assets	201,285	899,487
Total assets	705,039	1,331,155
Current liabilities	56,516	2,861
Non-current liabilities	78	79,764
Total liabilities	56,594	82,625
<b>Net assets</b>	<b>648,445</b>	<b>1,248,530</b>
Share capital	1,204,351	1,197,010
Other reserves	89,450	78,768
Accumulated losses	(645,356)	(27,248)
<b>Total equity</b>	<b>648,445</b>	<b>1,248,530</b>
Loss for the year <sup>2</sup>	(618,108)	(127)
Total comprehensive loss	(618,108)	(127)

1. Current assets include Investment held at fair value for the sale of Pointsbet's US Business.

2. Loss for the year primarily driven by the impairment of investment in subsidiaries for the disposed of operations.

**A. GUARANTEES ENTERED INTO BY THE PARENT ENTITY**

The parent entity did not enter any guarantees as at 30 June 2023 or 30 June 2022.

**B. CONTINGENT LIABILITIES OF THE PARENT ENTITY**

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022. For information about guarantees given by the parent entity, please see above.

**C. CONTRACTUAL COMMITMENTS OF THE PARENT ENTITY**

The parent entity did not have contractual commitment as at 30 June 2023 or 30 June 2022.

**D. DETERMINING THE PARENT ENTITY FINANCIAL INFORMATION**

The accounting policies of the parent entity are consistent with those of the group, as disclosed in Note 1, except for the following:

**i. Investments in subsidiaries, associates and joint venture entities**

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of PointsBet Holdings Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

**ii. Financial guarantees**

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

**iii. Share-based payments**

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting year as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

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### 31. DISCONTINUED OPERATIONS

On 15 May 2023, the Group publicly announced the sale of PointBet's US and Ireland operations with the unanimous support of the Board of Directors. On 30 June 2023, the shareholders of the Company approved the plan to sell the business for USD \$225 million (AUD \$340.9 million). The sale of the US business is expected to be completed within a year from the reporting date and as of shareholder approval date control of operations is deemed to be lost and the operations discontinued. At 30 June 2023, the US operations were classified as discontinued operations and deconsolidated from the results. The business sold represents the entirety of the Group's US and Ireland operations. With the disposal of these operations the US trading segment is no longer presented in the segment note.

As at 30 June 2023, the USD \$225 million is receivable and considered as an investment held at fair value as the legal ownership remain with Pointsbet at reporting date. The sale consideration is reflected in the balance sheet and profit and loss as held at fair value.

A reconciliation of the gain on deconsolidation is as follows:

	<b>2023</b>
	<b>\$'000</b>
Deferred cash consideration	340,941
Less disposal costs	(45,976)
<b>Net consideration</b>	<b>294,965</b>
<b>Carrying Value of net assets of businesses disposed</b>	
Cash and cash equivalents	20,801
Trade and other receivables	16,345
Plant and equipment	7,631
Intangible assets	161,627
Other assets	94,395
Right-of-use assets	11,311
<b>Total assets</b>	<b>312,110</b>
<b>LIABILITIES</b>	
Trade and other payables	31,193
Employee benefit obligations	2,330
Financial liabilities	2,244
Lease liabilities	14,632
Contract liabilities	11,421
Other liabilities	28,198
Deferred tax liability	4,641
Provisions	300
<b>Total liabilities</b>	<b>94,959</b>
<b>Net assets</b>	<b>217,151</b>
<b>Gain on deconsolidation before release of foreign currency translation reserve</b>	<b>77,814</b>
Release of foreign currency translation reserve	15,478
<b>Gain on deconsolidation before tax</b>	<b>93,292</b>
Income tax expenses	–
<b>Net gain on deconsolidation</b>	<b>93,292</b>

The cumulative amount of exchange differences arising on translation of foreign controlled entities are reclassified to profit or loss when the investment is deconsolidated.

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The results of the discontinued operation for the year are presented below:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Discontinuing operations</b>		
Revenue	172,844	101,069
Cost of sales	(115,777)	(80,002)
<b>Gross profit</b>	<b>57,067</b>	<b>21,067</b>
(Other expense)/other income	192	288
<b>Expenses</b>		
Administration expenses	(5,097)	(5,624)
Consulting expenses	(1,829)	(1,067)
Depreciation and amortisation	(30,631)	(21,557)
Employee benefits expenses	(98,825)	(58,849)
Information technology costs	(17,767)	(12,376)
Occupancy expenses	(751)	(885)
Other expenses	(6,048)	(2,750)
Marketing expenses	(133,733)	(162,567)
Travel and accommodation expenses	(903)	(962)
<b>Total Expenses</b>	<b>(295,584)</b>	<b>(266,637)</b>
Finance income	38	5
Finance expenses	(26,483)	(4,386)
<b>Finance (costs)/income – net</b>	<b>(26,445)</b>	<b>(4,381)</b>
<b>Loss before income tax</b>	<b>(264,770)</b>	<b>(249,663)</b>
Income tax expense	3,045	2,558
<b>Loss for the year</b>	<b>(261,725)</b>	<b>(247,105)</b>

The net cash flows incurred by the discontinued operations are:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from/(used in) discontinued operations</b>		
Net cash (used in) operating activities	(195,984)	(183,540)
Net cash (used in) investing activities	(30,470)	(74,131)
Net cash from financing activities <sup>1</sup>	223,937	233,913
<b>Net cash flows for the year</b>	<b>(2,517)</b>	<b>(23,758)</b>

1. Net cash flows from financing activities includes funding received from the Parent entity following capital raisings which occurred in FY22.

	<b>2023</b>	<b>2022</b>
	<b>cents</b>	<b>cents</b>
<b>Loss per share</b>		
Loss per share for the year from discontinued operations	(55.0)	(96.7)

The basic and diluted loss per share is the same given in a loss position the effect of dilution would be anti-dilutive.

### **32. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

No matters or circumstances have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

# DIRECTORS' DECLARATION

for the 12 months ended 30 June 2023

In the Directors' opinion:

- a. the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- c. the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001. Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Yours sincerely,



**Brett Paton**  
Chairman

Cremorne  
31 August 2023

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# INDEPENDENT AUDITOR'S REPORT

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## INDEPENDENT AUDITOR'S REPORT To the Directors of PointsBet Holdings Limited

### Opinion

We have audited the financial report of PointsBet Holdings Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**Key Audit Matters (continued)**

Key Audit Matter	How our audit addressed this matter
<p><b>Bets Wins and Losses</b> Refer to Note 6 and Note 31 in the financial statements</p>	
<p>The Group earned revenue from customers of \$310 million from net betting wins and iGaming revenue from continuing and discontinuing operations for the financial year 2023.</p> <p>The completeness and accuracy of revenue recognised is dependent on the interfacing systems within the betting platform, and is reliant on the IT control environment and the controls around reconciling reports received from the betting platform.</p> <p>The accuracy of net revenue reported may be impacted by a failure of the betting platform to correctly measure wins and losses in accordance with AASB 9 <i>Financial Instruments</i>.</p>	<p>Our audit procedures in relation to betting wins and losses included:</p> <ul style="list-style-type: none"> <li>• Performing data analytics testing on the data held in the Australian betting platform and the data warehouse (collectively “the systems”) to ensure the systems accurately reflect all bets made. The assessment procedures involved the use of data analytic testing on extracts of the systems, in addition to walkthroughs and sample testing where data analytics may not be suitable. The testing covered both the integrity of the data itself and the integrity of the systems as a collective;</li> <li>• Performing detailed cut-off testing on a sample of bets placed to confirm their appropriate settlement and check that the win or loss was recorded in the correct period; and</li> <li>• Performing detailed testing on a sample of player accounts to confirm the existence of the customer.</li> </ul>
<p><b>Deconsolidation and Discontinued Operations</b> Refer to Note 31 in the financial statements</p>	
<p>In May 2023 PointsBet agreed in principle an equity sale agreement and accompanying service agreement with FBG Enterprises Opco, LLC (FBG) regarding the sale of the PointsBet US and Banach Technology operations. The sale was approved by Pointsbet members at an extraordinary general meeting (EGM) held on 30 June 2023.</p> <p>This resulted in a loss of control by PointsBet Holdings of PointsBet US and Banach Technology in accordance with AASB 10 Consolidated Financial Statements, and as a consequence the deconsolidation of these operations in the financial statements as at 30 June 2023.</p> <p>The deconsolidation was considered a key audit matter due to the materiality and significance of the transaction.</p>	<p>Our audit procedures in relation to the deconsolidation included:</p> <ul style="list-style-type: none"> <li>• Reviewing the FBG sale agreement and service agreement, along with management’s accounting memorandum, to confirm the loss of control under AASB 10;</li> <li>• Reviewing the deconsolidation accounting to ensure completeness and accuracy of management’s calculations;</li> <li>• Reconciling the audited trial balance to management’s calculations and assessing the split between continuing and discontinuing operations;</li> <li>• Substantively testing transaction costs associated with the sale to ensure they were appropriately classified; and</li> <li>• Reviewing the presentation and disclosures around the deconsolidation and discontinued operations included in the financial statements to ensure compliance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.</li> </ul>

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## Key Audit Matters (continued.)

Key Audit Matter	How our audit addressed this matter
<b>Impairment and Capitalisation of intangible assets</b> Refer to Note 14 in the financial statements	
<p>The Group has \$41.6 million of Intangible Assets as at 30 June 2023 relating to development costs that have been capitalised as a result of various projects including time spent on the betting platform.</p> <p>Management is required to assess the intangible assets for impairment in accordance with AASB 136 <i>Impairment of Assets</i>, with a value in use cashflow model needing to be prepared for each identified cash-generating-unit (CGU). The value in use cashflow mode involves judgements about the future underlying cash flows of the CGU and the discount rates applied to them.</p> <p>There is an inherent risk that the future cash flows of each CGU do not support the carrying value of intangible assets and management have impaired the Intangible Assets by \$15.2 million during the year ended 30 June 2023.</p> <p>There is an additional risk that costs have been incorrectly capitalised that are not in compliance with AASB 138 <i>Intangible assets</i>.</p>	<p>Our audit procedures in relation to impairment of intangibles included:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of the CGU applied to the intangible assets based on the nature of the Group's business and the manner in which results are monitored and reported;</li> <li>• Assessing the overall valuation methodology used to determine the value in use;</li> <li>• Checking the mathematical accuracy of the discounted cash flow models and reconcile input data to supporting evidence;</li> <li>• Considering and challenging the reasonableness of key assumptions, including the cash flow projections, budgets, revenue growth rate, discount rates and sensitivities used; and</li> <li>• Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.</li> </ul> <p>Our audit procedures in relation the capitalisation of development costs included:</p> <ul style="list-style-type: none"> <li>• Discussing the projects capitalised in the period and understanding the details of each project and associated costs to ensure they are capital in nature;</li> <li>• Considering the capitalisation rate applied by management for staff development time including benchmarking to historical rates; and</li> <li>• Ensuring all costs capitalised are in compliance with AASB 138.</li> </ul>



#### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.





**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of PointsBet Holdings Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to be "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to be "BY Chan".

**B Y CHAN**  
Partner

Dated: 31 August 2023  
Melbourne, Victoria

# SHAREHOLDER INFORMATION

## DISTRIBUTION OF EQUITY SECURITIES AS AT 11 AUGUST 2023

Range	Total holders	Units	% Units
1 – 1,000	13,047	4,534,274	1.46
1,001 – 5,000	5,399	12,844,188	4.12
5,001 – 10,000	1,260	9,326,233	2.99
10,001 – 100,000	1,235	32,112,007	10.31
100,001 Over	152	252,793,064	81.12
Rounding			0.00
<b>Total</b>	<b>21,093</b>	<b>311,609,766</b>	<b>100.00</b>

## LESS THAN MARKETABLE PARCELS OF ORDINARY SHARES AT 11 AUGUST 2023

Range	Minimum Parcel Size	Holders	Units
Minimum \$5,000 parcel at \$1.6200 per unit	309	7,433	1,035,822

## SUBSTANTIAL SHAREHOLDERS 11 AUGUST 2023

As at 11 August 2023, the following shareholders were registered by the Company as a substantial shareholder, having notified the Company of a relevant interest in accordance with Section 671B of the Corporations Act 2001 (Cth), in the voting shares below:

Holder of equity securities	Class of equity securities	Number of equity securities Hold	% of total issued securities in relevant class
SIG Sports Investment Corp	Ordinary Shares	38,750,000	12.44%
HG Vora Group	Ordinary Shares	35,000,000	11.23%

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## TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 11 AUGUST 2023

Rank	Name	Units	% Units
1	SIG SPORTS INVESTMENTS CORP	38,750,000	12.44
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	29,756,134	9.55
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,267,316	9.39
4	CITICORP NOMINEES PTY LIMITED	24,562,620	7.88
5	PENN INTERACTIVE VENTURES LLC	17,009,128	5.46
6	NBCUNIVERSAL MEDIA LLC	10,043,696	3.22
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,943,693	3.19
8	MR BRETT WILLIAM FISHER PATON + MRS VICKI ANNE PATON <BRETT PATON FAMILY SUPER A/C>	6,939,057	2.23
9	UBS NOMINEES PTY LTD	6,229,157	2.00
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	5,388,939	1.73
11	ELMSLIE SUPERANNUATION COMPANY PTY LTD <ELMSLIE FAMILY S/F A/C>	4,274,093	1.37
12	GREAT WHITE SHARK SERVICES PTY LTD <THE BRETT PATON	3,631,769	1.17
13	ARKINDALE PTY LTD <B N SINGER(NO 2)FAMILY A/C>	3,385,477	1.09
14	BNP PARIBAS NOMS PTY LTD <DRP>	2,771,159	0.89
15	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,625,097	0.84
16	HAWKS BURN CAPITAL PTE LTD <METHUSELAH STRATEGIC FND A/C>	2,574,007	0.83
17	JOHN JUDITH PTY LTD <BIG SWAN A/C>	2,309,767	0.74
18	TYARA PTY LIMITED <BRUCE WC WILSON PROPERTY A/C>	2,255,683	0.72
19	MR BRETT WILLIAM FISHER PATON	2,116,515	0.68
20	MRS MELISSAH JEAN MULLIN	1,981,846	0.64
<b>Total: Top 20 holders of ORDINARY FULLY PAID SHARES</b>		<b>205,815,153</b>	<b>66.05</b>
<b>Total Remaining Holders Balance</b>		<b>105,794,613</b>	<b>33.95</b>

## SECURITIES SUBJECT TO VOLUNTARY ESCROW AS AT 11 AUGUST 2023

Class of restricted securities	Number of securities	End date of escrow period
Ordinary Shares	43,614	19/09/2023
Ordinary Shares	10,043,696	17/11/2023
Ordinary Shares	92,545	31/12/2023
Ordinary Shares	203,736	30/01/2024
Ordinary Shares	14,369	10/02/2024
Ordinary Shares	494,002	14/02/2024
Ordinary Shares	485,116	20/04/2024

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**UNQUOTED EQUITY SECURITIES AS AT 11 AUGUST 2023**

The number of each class of unquoted equity securities on issue, and the number of holders in each such class, are as follows:

<b>Class of equity securities</b>	<b>Number of unquoted equity securities</b>	<b>Number of holders</b>
Performance Share Rights	12,156,528	206
Matched Rights	119,696	117
Options to acquire Ordinary Shares	5,732,964	25
Deferred Bonus Equity Option	14,987,002*	21,121

\* Where the Company calls the DBEO (Company Election), each DBEO entitles the holder acquire \$10 worth of ordinary PointsBet shares at a 20% discount to the arithmetic average of the daily VWAP per ordinary PointsBet share traded on the ASX during the pricing period.

**VOTING RIGHTS**

At meetings of shareholders, each shareholder may vote in person or by proxy, attorney or (if the shareholder is a body corporate) corporate representative. On a poll every shareholder present in person or by proxy or attorney has one vote for each fully-paid ordinary share. Performance share right holders have no voting rights.

**REGULATORY CONSIDERATIONS AFFECTING SHAREHOLDERS**

PointsBet Holdings Limited and its subsidiaries could be subject to disciplinary action by wagering and gaming authorities in some jurisdictions if, after receiving notice that a person is unsuitable to be a shareholder, that person continues to be a shareholder. Because of the importance of licensing to the Company and its subsidiaries, the Constitution contains provisions that may require shareholders to provide information and also gives the Company powers to divest or require divestiture of shares, suspend voting rights and withhold payments of certain amounts to shareholders or other persons who may be unsuitable.

**SHAREHOLDER ENQUIRIES**

You can access information about PointsBet Holdings Limited and your holdings via the internet. PointsBet's investor website [investors.pointsbet.com.au](https://investors.pointsbet.com.au), has the latest information on Company announcements, presentations and reports. In addition, there is a link to the Australian Securities Exchange to provide current share prices. The share registry manages all your shareholding details. Visit <https://www-au.computershare.com/investor/> and access a wide variety of holding information, make changes to your holding record and download forms. You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**DIVIDENDS**

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to PointsBet's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

**USE OF CASH**

The Company's use of cash (and assets in a form readily convertible to cash) that it had at the time of admission to the Australian Securities Exchange is consistent with its business objectives as set out in the Review of Operations forming part of this Annual Report.

**OTHER INFORMATION**

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act that have not yet been completed.

244,332 securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

# CORPORATE DIRECTORY

## Directors

BWF Paton  
Non-Executive Chairman

SJ Swanell  
Group Chief Executive Officer and Managing Director

PD McCluskey  
Non-Executive Director

AP Symons  
Non-Executive Director

BK Harris  
Non-Executive Director

K Gada  
Non-Executive Director

M Gombra-Singh  
Non-Executive Director

WW Grounds  
Non-Executive Director

## Company Secretary

AJ Hensher

## Global Headquarters

PointsBet Holdings Limited  
Level 2, 165 Cremorne Street  
Cremorne VIC 3121  
Australia

## New York

Suite 104-109, 115 Broadway  
New York, NY, 10006  
United States of America

## Denver

Level 9, 1331 17th Street  
Denver, Colorado, 80202  
United States of America

## Canada

315 Queen Street West  
Toronto Ontario M5V 2H1  
Canada

## Ireland

5th Floor, The Eight Building  
8 Newmarket, The Liberties  
Dublin 8, D08 T2TX  
Ireland

## Investor Contacts

### Share Registry

Computershare Investor Services Pty Limited  
452 Johnston Street  
Abbotsford Victoria 3067  
Australia

Telephone: 1300 555 159 (Australia) and  
+61 3 9415 4062 (Overseas)

Website: <https://www-au.computershare.com/investor/>

### Auditor

RSM Australia  
Level 21  
55 Collins Street  
Melbourne VIC 3000

### Australia Stock Exchange Listing

PointsBet Holdings Limited Ordinary shares are listed on the  
Australian Securities Exchange

CODE: PBH (OTCQX:PBTHF)

### Internet Site

[investors.pointsbet.com.au](https://investors.pointsbet.com.au)

### Investor Email Address

Investors may send email queries to: [investors@pointsbet.com](mailto:investors@pointsbet.com)

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***POINTS*BET**