



3 April 2025

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

PointsBet Holdings Limited - Letter to Shareholders

Please see attached a letter to shareholders containing an update in relation to the proposed acquisition of PointsBet Holdings Limited ("PointsBet") by a wholly-owned subsidiary of MIXI, Inc ("MIXI") (the "Letter").

The Letter will be dispatched to shareholders in accordance with their elections.

Yours faithfully

A handwritten signature in blue ink, appearing to read "A. Hensher".

Andrew Hensher
Group General Counsel
and Company Secretary

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3 April 2025

Dear shareholder,

Proposed transaction with MIXI, Inc

I am writing to provide you with an update in relation to the proposed acquisition of PointsBet Holdings Limited ("PointsBet") by MIXI Australia Pty Ltd ("MIXI Australia"), a wholly-owned subsidiary of MIXI, Inc ("MIXI").

You will probably recall that, on 26 February 2025, PointsBet entered into a Scheme Implementation Deed with MIXI and MIXI Australia for the proposed acquisition by MIXI Australia of 100% of the issued share capital of PointsBet by way of a scheme of arrangement ("Scheme").

MIXI is a Japanese consumer technology company that develops and operates mobile games, communication services, and publicly managed sports betting services. It also manages professional sports teams in Japan. The company and its group companies have over 1,600 permanent employees across the globe and generated approximately JPY147 billion in annual net sales in JFY2024.

MIXI has a Northern Territory-licensed sports bookmaking subsidiary that provides wagering services to Australian consumers under the brand known as "betM".

Key transaction highlights

If the Scheme is implemented, each PointsBet shareholder will receive a cash amount of \$1.06 per PointsBet share ("Scheme Consideration"), which represents a significant premium of:

- 27.7% to PointsBet's closing price on 25 February 2025 (the date prior to the announcement of the proposed transaction); and
- 23.9% to the 1-month volume weighted average trading price of PointsBet shares as at 25 February 2025.

The PointsBet Board unanimously recommends that PointsBet shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of PointsBet shareholders. Further, on this basis, each PointsBet Director intends to vote all of the PointsBet shares held or controlled by them in favour of the Scheme.

PointsBet shareholders will have the opportunity to vote on the Scheme at a shareholder meeting now expected to be held in June 2025 ("Scheme Meeting"), and a Scheme Booklet containing information relating to the Scheme, including detailed reasoning for the PointsBet directors' recommendation and an Independent Expert's Report, is expected to be sent to PointsBet shareholders in May 2025 once it has been reviewed by ASIC.

Subject to shareholder approval being obtained and the other conditions of the Scheme being satisfied or waived in the accordance with their terms, the Scheme is forecast to be implemented in June 2025.

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BlueBet proposal

On 18 February 2025, PointsBet received a confidential, non-binding, indicative proposal from BlueBet ("BlueBet Proposal").

The PointsBet Board considered the BlueBet Proposal and with the input of advice from the company's financial and legal advisers, the Board determined that the BlueBet Proposal could not reasonably be expected to lead to a superior proposal relative to the Scheme.

The PointsBet Board, in forming its view that the BlueBet Proposal could not reasonably be expected to lead to a superior proposal, had regard to a number of factors, including that:

- the BlueBet Proposal was unfunded, subject to an explicit financing condition, and would require BlueBet to both raise \$100m in debt and undertake a large upfront equity capital raising (\$160m), the terms of which were uncertain and could materially affect the value ultimately received by PointsBet shareholders;
- value creation was heavily dependent on assumed synergies; and
- the BlueBet Proposal was subject to due diligence and BlueBet sought a significant amount of time to undertake this work.

BlueBet has made subsequent announcements and statements in relation to the BlueBet Proposal, including an announcement on 1 April 2025 that claims that the BlueBet Proposal is "*fully funded*".

In relation to this statement, PointsBet notes that the BlueBet Proposal disclosed a cash pool of between \$240 and \$260 million that BlueBet needed to raise to implement its proposal.

However, based on publicly available information, BlueBet had a pro-forma corporate cash balance of under \$15m at 31 December 2024¹ and had negative operating cash flows of \$14m in the six months ending that same date.

Despite BlueBet's negative operating cash flows, the BlueBet Proposal also assumes that the company can raise \$100m in debt.

To further contextualise BlueBet's funding challenge, as at 1 April 2025, the market capitalisation of BlueBet was \$207m² – the \$160m of equity capital that BlueBet stated it needs to raise in connection with the BlueBet Proposal represents 77% of this amount.

Given the above, and based on other materials presented to PointsBet, it is clear that the BlueBet Proposal could not reasonably be characterised as "*fully funded*".

Notwithstanding BlueBet's recent statements, the core issues outlined above have not been adequately addressed by BlueBet and thus PointsBet does not intend to further pursue the BlueBet Proposal.

The BlueBet Proposal was expressed to be non-binding and indicative and is not currently capable of acceptance by PointsBet shareholders.

¹ As at 31 December 2024, BlueBet disclosed closing cash of \$17.7m, which comprised \$5.7m of corporate cash and \$12.0m of client cash, and in February 2025 the company undertook a \$15.0m equity raising, of which \$7m was allocated for working capital, migration and further growth initiatives.

² Assuming 619.2m shares on issue and a share price of \$0.335, being the closing share price on 1 April 2025.



Next Steps

PointsBet shareholders **do not need to take any action at this time.**

As mentioned above, shareholders will have the opportunity to vote on the Scheme at the Scheme Meeting expected to be held in June 2025.

The PointsBet Board will continue to act in the best interests of PointsBet and its shareholders and will keep you informed of any developments.

Yours faithfully,

A handwritten signature in black ink that reads "Brett Paton".

Brett Paton
Chairman

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