

UPDATE ON BETR'S 'POTENTIAL' TAKEOVER OFFER

Melbourne, 23 June 2025

PointsBet Holdings Limited (ASX: PBH) (**PointsBet**) refers to the intention to make an off-market, all-scrip takeover offer announced by Betr Entertainment Limited (**Betr**) on 20 June 2025 (**Betr Potential Takeover Offer**).

PointsBet also refers to:

- the PointsBet Board-recommended and agreed acquisition of 100% of the issued share capital of PointsBet by MIXI, Inc (**MIXI**) through its wholly owned subsidiary MIXI Australia Pty Ltd (**MIXI Australia**) by way of a scheme of arrangement for \$1.20 cash per PointsBet share (**MIXI Scheme**); and
- MIXI Australia's proposal to make an off-market takeover bid for all of the issued share capital of PointsBet at \$1.20 cash per PointsBet share conditional on the MIXI Scheme not being approved by requisite majorities of PointsBet shareholders (**MIXI Takeover Offer**).

As the market is aware, PointsBet has dealt with Betr on various non-binding indicative offers for some time. All have been accompanied by significant media commentary and speculation, while none have culminated into a formal proposal capable of consideration and acceptance by PointsBet shareholders. The PointsBet Board has acted constructively and in good faith in all dealings with Betr, and any representation to the contrary is without basis.

Initial observations on the Betr Potential Takeover Offer

PointsBet notes that Betr has not yet disclosed the precise formal terms of the Betr Potential Takeover Offer nor provided a bidder's statement for the Betr Potential Takeover Offer.

However, in the interim, PointsBet notes the following based on Betr's announcement:

- Based on Betr's 5-day VWAP up to and including Friday, 20 June 2025, the Betr Potential Takeover Offer has a value of \$1.05 per PointsBet share, and based on Betr's closing share price on that date has a value of \$1.14 per PointsBet share.¹ This value is significantly lower than under the MIXI Scheme and MIXI Takeover.
- The Betr Potential Takeover Offer is highly conditional and subject to Betr shareholder approvals and various regulatory approvals including ACCC approval and Ontario gaming approvals.
- The value of the Betr Potential Takeover Offer will change over time (given it is an all-scrip proposal) and the cash value realisable by PointsBet shareholders (should they wish to sell any Betr shares issued to them) is uncertain given the low liquidity of Betr's shares on ASX. Hence, the Betr Potential Takeover Offer provides no cash certainty for all PointsBet shareholders.

¹ IRESS, including special crossings.

- The proposed potential buyback is uncertain in that it is a separate transaction to the Betr Potential Takeover Offer and PointsBet shareholders will not be entitled to vote on the Betr shareholder resolution to approve the buyback. There is likely to be limited incentive for existing Betr shareholders to approve the buyback. This is because, whilst Betr has stated the Betr Potential Takeover Offer will be conditional on shareholder approval of the buyback, Betr will be entitled to waive this condition and proceed with its offer if the buyback is not approved. As such, the statements by the Betr Chairman in his open letter to PointsBet shareholders that the Betr Potential Takeover Offer would provide an *'accelerated path to cash consideration for shareholders seeking immediate liquidity'* and in their ASX release that it provides *'cash for immediate liquidity'* are clearly misleading on the basis that there is no certainty that a buyback will be approved by Betr shareholders, nor the timing under which any such buyback would occur.
- Betr has claimed that synergies are significant, but any synergies will only be available if Betr can acquire 100% of PointsBet, and the Betr Potential Takeover Offer is not subject to a minimum acceptance condition. In any event PointsBet believes that Betr's assessment of synergies and therefore the implied value of their scrip is materially overstated.²
- The Betr Potential Takeover Offer is conditional on none of PointsBet's employee incentive awards (PSRs) vesting as a result of the Betr Potential Takeover Offer, however 5.1m of such awards vest on 1 July 2025 in the ordinary course and PointsBet shares will be issued to the 83 participating employees. As noted, the treatment of PSRs under the MIXI Scheme does not impact the value received by PointsBet shareholders and Betr's prior representations to PointsBet that their intention is for these PSRs to be 'rolled over' into equivalent Betr awards will further dilute holders and reduce the value of any potential offer. Further as set out in the Scheme Booklet, other than Managing Director Sam Swanell, no other PointsBet Director holds PSRs.

If and when Betr formally provides the terms of the Betr Potential Takeover Offer to PointsBet, the PointsBet Board will consider those terms and provide a recommendation to PointsBet shareholders accordingly.

PointsBet shareholders will have a material exposure to Betr's business

As previously announced, PointsBet has undertaken due diligence on Betr and considers Betr's business to be considerably less attractive than PointsBet's business, for reasons including the following:

- **Betr has a less valuable and volatile VIP-heavy customer base** – a high concentration of Betr's net win is dependent on a very limited number of Betr VIP customers.

² Betr ASX Release dated 17 June 2025 stated *'This is not a forecast or guarantee on the value of the proposed scrip consideration which depends on several factors outside the control of the board and management. It is intended to provide an indication of the potential value'*.

- **Significant customer crossover** – 65% of the aggregate turnover of Betr and PointsBet and 61% of the aggregate net win comes from customers who have an account on both Betr and PointsBet.³

The revenue from crossover customers declined significantly following the 2024 BlueBet/Betr merger, with the net win of customers who had an account on both BlueBet and Betr declining ~50% between Q3 FY24 (the last quarter pre-merger) and Q3 FY25 (the corresponding period post-merger).

The net win of customers who, prior to the merger, had an account on only one of Betr or BlueBet also declined.

- **Revenue dis-synergies are therefore likely to be high** – Given the aforementioned high level of customer cross-over between PointsBet and Betr and expected customer behaviour (informed by historical transaction data, including Betr's transaction with BlueBet as set out above), revenue dis-synergies are expected to be high (potentially offsetting all, or most of, the cost synergies).
- **The value of the cost synergies identified by Betr has been materially overstated, as previously announced by PointsBet.**

PointsBet was provided with a draft of the 'Big Four' analysis referred to by Betr in its announcement of the Betr Potential Takeover Offer, which was overly simplistic in its analysis. In contrast, PointsBet's analysis of the realistic synergies (both cost and revenue) which could be achieved was undertaken by seasoned industry data scientists and those with a deep understanding of the key drivers of a wagering business.

Only the MIXI Scheme is presently capable of acceptance by PointsBet shareholders

At present, there is only one transaction capable of acceptance by PointsBet shareholders, which is the MIXI Scheme.

The PointsBet Directors unanimously recommend that PointsBet shareholders vote in favour of the MIXI Scheme at the Scheme Meeting scheduled for 9:00 am (Melbourne time) on 25 June 2025, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the MIXI Scheme is in the best interests of PointsBet shareholders. Subject to those same qualifications, each PointsBet Director intends to vote all of the PointsBet shares held or controlled by them in favour of the Scheme.

If the MIXI Scheme is not approved by the requisite majorities of PointsBet shareholders at the Scheme Meeting, MIXI Australia has agreed to make the MIXI Takeover Offer, pursuant to the terms of the previously announced Bid Implementation Deed with PointsBet.

In that circumstance, the PointsBet Board has agreed to recommend that PointsBet shareholders accept the MIXI Takeover Offer in the absence of a superior proposal. Subject to the same qualification, each PointsBet Director intends to accept the MIXI Takeover Offer in respect of all PointsBet shares they own or control within 10 Business Days of receiving the MIXI Takeover Offer.

³ Over the eight-month period to April 2025.

MIXI Scheme Proxies

Proxies for the MIXI Scheme Meeting closed at 9.00am (Melbourne time) today and are being tallied by the PointsBet share registry. While early indications are that the requisite majority will not be achieved based on the proxies received, when removing the Betr vote from the proxy results, it is clear that there is significant support for the MIXI Scheme by PointsBet shareholders, with over 90% in favour. Final verified proxy results will be provided to the market ahead of the MIXI Scheme vote scheduled for 9am on Wednesday, 25 June 2025.

Trading in PointsBet shares

Betr, as at the date of this announcement, has voting power of 19.9% in PointsBet. Betr is not permitted to acquire an interest in any further securities in PointsBet, either directly or via its associates, unless through a permitted exception under the Corporations Act. Under PointsBet's constitution, PointsBet has powers to investigate trading in its securities, and the PointsBet Board has powers to refuse or prevent the registration of a transfer of PointsBet shares if it determines that the registration may be in breach of law.

Advisers

Flagstaff Partners is acting as financial adviser and Baker McKenzie is acting as legal adviser to PointsBet.

This announcement has been authorised for release by the PointsBet Board.

– Ends –

For further information please contact:

For investors

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