



POINTS BET REJECTS BETR'S UNSOLICITED SCRIP OFFER – ACCEPT SUPERIOR CASH OFFER

Melbourne, 23 July 2025

Key highlights:

- The PointsBet Board has today unanimously decided to reject the Unsolicited Betr Scrip Offer
- The MIXI Takeover Offer is now open and the PointsBet Directors unanimously recommend that PointsBet shareholders accept the MIXI Takeover Offer, in the absence of a superior proposal
- MIXI Australia currently has a relevant interest in 9.15% of PointsBet shares

PointsBet Holdings Limited (ASX: PBH) (**PointsBet**) refers to the unsolicited, conditional off-market all-scrip (share) takeover offer of 3.81 Betr shares for every 1 PointsBet share previously announced by Betr Entertainment Limited (**Betr**) (**Unsolicited Betr Scrip Offer**).

PointsBet also refers to the PointsBet Board-recommended off-market takeover bid for PointsBet being made by MIXI Australia Pty Ltd (**MIXI Australia**) (**MIXI Takeover Offer**). The MIXI Takeover Offer is all cash at an offer price of \$1.20 per PointsBet share.

Rejection of Unsolicited Betr Scrip Offer

The PointsBet Board has determined, with the assistance of external advisers, that the Betr Proposal is materially inferior to the MIXI Takeover Offer.

Reasons for this determination include that:

- Since its announcement on 20 June 2025, the value of the Unsolicited Betr Scrip Offer has been worth materially less than the MIXI Takeover Offer, when calculated using volume weighted average prices over relevant trading periods. The PointsBet Board does not accept Betr's characterisation of the value of the Unsolicited Betr Scrip Offer.
- The Unsolicited Betr Scrip Offer is highly conditional and subject to Betr shareholder approval and Ontario gaming approvals, the outcome and timing of which remains uncertain.
- The value of the Unsolicited Betr Scrip 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 Unsolicited Betr Scrip Offer provides no cash certainty for all PointsBet shareholders.
- Given the all-scrip nature of the Unsolicited Betr Scrip Offer, PointsBet shareholders will be exposed to Betr's business, which PointsBet considers to be unattractive for reasons including that:

- 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 (e.g. in January 2025, more than 50% of Betr's net win was generated from only 20 customers).

There are meaningful risks associated with a VIP-heavy customer base, including:

- the long-term sustainability of this revenue is open to question (particularly as Betr pays fees to third parties to manage some of these relationships);
- compliance and regulatory risks are much greater; and
- margins are less predictable and can deviate significantly from expected margins (given VIPs tend to place large bets and there is natural volatility in individual events).
- Unattractive product mix, with a sub-scale sports business – Betr's business is heavily skewed towards racing, with 85% of its net win derived from racing products¹:
 - sports is the growth category for the industry where there is material year on year growth in active clients; and
 - product fees for thoroughbred racing are relatively high, which means gross profit margins are considerably lower than sports for like-for-like products (i.e. pre-race / pre-sports fixed price single bets) despite thoroughbred racing having higher like-for-like net win margins; and
 - relative to sports, there are fewer opportunities to innovate and develop high-margin, recreational products (e.g. same game multis) which are attractive to mass market customers.
- High levels of customer churn despite Betr's level of gratuity spend – PointsBet believes its mass market customers are more valuable, stickier, and do not require significant level of gratuities to retain and/or reactivate. Over the 3-month period from February 2025 to April 2025, Betr's weighted monthly average churn rate was 17% higher than PointsBet's despite a gratuity rate for mass market customers that was 64% higher than PointsBet's. PointsBet believes that Betr's churn rate would increase without this heightened level of investment.
- Any synergies will only be available if Betr can acquire 100% of PointsBet, and the Unsolicited Betr Scrip Offer is not subject to a minimum acceptance condition.
- Betr has claimed that synergies are significant, however PointsBet believes the potential synergies are materially overstated:
 - The value of the cost synergies identified by Betr has been materially overstated, having regard to a number of factors, including:

¹ Over the eight-month period to April 2025.

- PointsBet's view of the brand and digital investment required to both retain customers and grow.
 - The levels of product and technology investment required to sustain a 'number four' market position (especially in the higher growth 'sports' category, where PointsBet is currently much stronger than Betr).
- Revenue dis-synergies will also reduce the net synergies, as a result of the high levels of customer cross-over between PointsBet and Betr and expected customer behaviour:
 - 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.²

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) from approximately \$22m to \$11m; and

 - The net win of customers who, prior to the BlueBet merger, had an account on only one of Betr or BlueBet also declined.
- There are significant integration and implementation challenges with the Unsolicited Betr Scrip Offer, with Betr assuming that PointsBet's Canadian business can be carved out without any resulting stranded costs. We do however note that it is not a condition of Betr's bid that the Canadian business is carved out.
- The proposed potential buyback is uncertain in that it is a separate transaction to the Unsolicited Betr Scrip 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 and PointsBet notes that Betr reserves the right to reduce the proposed buyback price in proportion to any increase in the offer ratio.

The MIXI Takeover Offer is now open and shareholders should ACCEPT the MIXI Takeover Offer

The MIXI Takeover Offer opened for acceptance today, with MIXI Australia currently having a relevant interest in 9.15% of PointsBet shares.

The PointsBet Directors unanimously recommend that PointsBet shareholders accept the MIXI Takeover Offer, in the absence of a superior proposal.

² Over the eight-month period to April 2025.

Further information

PointsBet intends to release its target's statement shortly, which will contain further information including additional information on the reasons for the PointsBet Directors' unanimous recommendation that PointsBet shareholders accept the MIXI Takeover Offer, in the absence of a superior proposal.

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

– Ends –

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For investors

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