


CR 2026/10 - betr Entertainment Limited - off-market share buy-back

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Status: **legally binding**

Class Ruling

betr Entertainment Limited – off-market share buy-back

📌 Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for shareholders of betr Entertainment Limited (BBT) who participated in the off-market selective share buy-back (Buy-Back) of BBT shares approved by shareholders at an extraordinary general meeting on 22 September 2025.
2. Details of this scheme are set out in paragraphs 17 to 38 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997* (ITAA 1997), unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you:
 - held ordinary shares in BBT and sold some, or all, of those shares under the Buy-Back
 - held those shares on capital account – that is, you did not hold your BBT shares as ‘revenue assets’ (as defined in section 977-50) or as ‘trading stock’ (as defined in subsection 995-1(1)), and
 - were a ‘resident’ of Australia as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936).
5. This Ruling does not apply to you if you are subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 17 to 38 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

Status: **legally binding**

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Ruling**Off-market purchase**

7. The Buy-Back is an off-market purchase for the purposes of Division 16K of the ITAA 1936 (section 159GZZZK of the ITAA 1936).

No part of the Buy-Back price is a dividend

8. No part of the Buy-Back price you received is taken to be a dividend as BBT is a listed public company (as defined in subsection 995-1(1)) and the Buy-Back is an off-market purchase (section 159GZZZPA of the ITAA 1936).

Sale consideration

9. You are taken to have received the Buy-Back price of \$0.32 as consideration for each BBT share you sold in the Buy-Back on 20 October 2025 (section 159GZZZQ of the ITAA 1936).

10. The consideration you are taken to have received is not adjusted by subsections 159GZZZQ(2) to (9) of the ITAA 1936.

Capital gains tax consequences

11. CGT event A1 happened to you on 20 October 2025 when you disposed of each of your BBT shares to BBT in the Buy-Back (section 104-10).

12. The Buy-Back price of \$0.32 per BBT share represents the capital proceeds you received for each BBT share you sold under the Buy-Back (subsection 116-20(1)).

13. If you did not hold your BBT shares through a partnership, you made a:

- capital gain on each BBT share if the Buy-Back price was more than the share's cost base (subsection 104-10(4)) – the amount of the capital gain is the difference, or
- capital loss on each BBT share if the Buy-Back price was less than the share's reduced cost base (subsection 104-10(4)) – the amount of the capital loss is the difference.

14. Where you made a capital gain, you will not be able to treat the capital gain as a 'discounted capital gain' as you will not have held your BBT shares for at least 12 months (Subdivision 115-A).

15. If you held the BBT shares through a partnership, any capital gain or capital loss will be made by the partners individually (subsection 106-5(1)). Each partner in a partnership has a separate cost base and reduced cost base for the partner's interest in each BBT share sold in the Buy-Back by the partnership (subsection 106-5(2)).

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Anti-avoidance provisions

16. The Commissioner will not make a determination under subsection 45A(2) or 45B(3) of the ITAA 1936 that section 45C of the ITAA 1936 applies to the whole, or any part, of the Buy-Back price you received.

Scheme

17. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

18. Other information referenced in paragraphs 19 to 38 of this Ruling is taken from the Buy-Back booklet announced on the Australian Securities Exchange (ASX) on 2 October 2025.

betr Entertainment Limited

19. BBT is a public company listed on the ASX.

20. BBT is a pure-play digital wagering operator providing sports and racing betting products and services to online and phone clients in Australia and North America.

21. As at 30 June 2025, BBT had:

- issued share capital of \$261,400,000, accumulated losses of \$78,814,000 and total equity of \$198,184,000
- 1,025,517,716 ordinary shares on issue.

22. BBT has not paid any dividends since its incorporation.

23. As at 19 October 2025, BBT's franking accounting balance was \$954,505.

Off-market takeover

24. On 16 July 2025, BBT issued a bidder's statement in relation to its off-market takeover offer to acquire all the shares in PointsBet Holdings Limited (PBH) it did not already own or control. BBT increased its takeover offer on 18 August 2025.

25. On 27 August 2025, BBT further increased its takeover offer, where PBH shareholders who accepted the takeover offer received 4.375 BBT shares for every 1 PBH share held (Offer).

26. On 26 September 2025, following the close of the Offer, BBT:

- acquired 30,341,074 PBH shares and, as a result, held 96,354,319 PBH shares – this was equivalent to 27.72% of the total number of PBH shares on issue
- issued a total of 132,741,833 BBT shares to PBH shareholders who accepted the Offer.

Off-market share buy-back

27. On 24 July 2025, BBT announced its intention to undertake a selective buy-back following the close of the Offer, subject to relevant shareholder approval. The purpose of

Status: **legally binding**

the Buy-Back was to increase the attractiveness of the Offer by giving PBH shareholders a partial cash alternative.

28. The Buy-Back did not form part of the Offer terms and conditions and the Offer was not conditional on shareholder approval of the Buy-Back.

29. On 22 September 2025, a resolution in favour of the Buy-Back was agreed to by shareholders at an extraordinary general meeting.

30. The Buy-Back was selective and only offered to specific BBT shareholders who:

- were shareholders of PBH who accepted the Offer and received their BBT shares via the Offer
- had not sold their BBT shares received via the Offer
- did not vote to approve the Buy-Back, and
- were not persons for whom BBT would require BBT shareholder approval under ASX Listing Rule 10.1 in respect of that person's participation in the Buy-Back.

31. Participation in the Buy-Back was voluntary. Shareholders who did not participate (or who were ineligible to participate) in the Buy-Back did not receive any property, dividends or distributions.

32. The majority of shareholders who participated in the Buy-Back had an Australian-registered address. Less than 1% of shareholders who participated in the Buy-Back had an overseas address.

33. The Buy-Back opened on 2 October 2025 and closed on 16 October 2025.

34. On 20 October 2025, BBT announced that it had bought back 127,029,704 shares at a fixed price of \$0.32 per share, representing approximately 10.88% of total shares on issue. All BBT shares bought back under the Buy-Back were cancelled.

35. On 23 October 2025, participating shareholders received \$0.32 per share they sold in the Buy-Back.

36. BBT debited \$0.32 per share purchased under the Buy-Back to its share capital account.

37. The Buy-Back was undertaken in accordance with Division 2 of Part 2J.1 of the *Corporations Act 2001*.

Other matters

38. As at 23 October 2025, BBT's 'share capital account' (as defined in section 975-300) was not tainted within the meaning of Division 197.

Commissioner of Taxation

1 April 2026

Status: **not legally binding**

References

Legislative references:

- ITAA 1936 6(1)
 - ITAA 1936 45A(2)
 - ITAA 1936 45B(3)
 - ITAA 1936 45C
 - ITAA 1936 Div 16K
 - ITAA 1936 159GZZZK
 - ITAA 1936 159GZZZPA
 - ITAA 1936 159GZZZQ
 - ITAA 1936 159GZZZQ(2)
 - ITAA 1936 159GZZZQ(3)
 - ITAA 1936 159GZZZQ(4)
 - ITAA 1936 159GZZZQ(5)
 - ITAA 1936 159GZZZQ(6)
 - ITAA 1936 159GZZZQ(7)
 - ITAA 1936 159GZZZQ(8)
 - ITAA 1936 159GZZZQ(9)
 - ITAA 1997 104-10
 - ITAA 1997 104-10(4)
 - ITAA 1997 106-5(1)
 - ITAA 1997 106-5(2)
 - ITAA 1997 Subdiv 115-A
 - ITAA 1997 116-20(1)
 - ITAA 1997 Div 197
 - ITAA 1997 Div 230
 - ITAA 1997 975-300
 - ITAA 1997 977-50
 - ITAA 1997 995-1(1)
 - Corporations Act 2001 Pt 2J.1 Div 2
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ATO references

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