



ASX Announcement (ASX:BBT)

28 February 2023

BlueBet continues strong growth trajectory in H1

Market share gains driven by differentiated brand and market-leading product

Mobile-first online wagering provider, BlueBet Holdings Ltd (ASX:BBT) (BlueBet or the Company), is pleased to announce its half year financial results for the six months ended 31 December 2022 (H1 FY23).

A\$m	H1 FY23	H1 FY22	Var %
Turnover	280.5	264.5	+6.1%
Wagering Revenue (Net Win)	27.1	28.6	-5.1%
Gross Profit	13.1	14.6	-10.7%
EBITDA	(10.5)	(0.2)	
Profit after Income Tax	(9.9)	(0.8)	
Net Cash from Operating Activities	(8.6)	2.5	

Key highlights¹:

- Active Customers up 33.8% to 60,328 with continued market share gains in Australia
- Top line growth continues, with Turnover up 6.1% to \$280.5 million driven by strong growth in Sports and mobile
- Net Win down 5.1% to \$27.1 million due to mix shift to Sport and increased promotional investment, net margin expected to return to above 10% in H2
- Significant marketing and product investment positions BlueBet for continued market share growth
- ClutchBet soft launched in Iowa in August, with Colorado launch on track for H2
- Strategic investment in Low6 leveraged to launch first Free to Play game ahead of NFL Super Bowl
- Continued investment in product, with BlueBet Global Platform to drive scalability and operational efficiencies after launch in late FY23
- Significant interest in B2B Sportsbook-as-a-Solution model and discussions underway with a number of potential partners
- Expect Australian business to return to operating cash flow positive in H2

BlueBet Chief Executive Officer, Bill Richmond, commented: *“The BlueBet team delivered a strong performance in H1, remaining focused on delivering the strategy and on providing an excellent experience for our customers in the face of increased market competition. As a result, we continue to gain market share in Australia and make strides in our US market entry.*

“Our effective investment in brand and product continues, with our differentiated approach winning new customers and delivering marketing efficiencies. In H2 our cash outflows are expected to normalise, with our Australian business returning to generating positive operating cash flow.

¹ All comparisons relate to the prior corresponding period (pcp) unless otherwise stated.

"In the US, the rollout of ClutchBet continues, with first bets taken in Iowa in August as we head towards an expected go-live in Colorado in March. We have had strong early interest for our white-labelled Sportsbook-as-a-Solution B2B offer in the US, with discussions underway with multiple potential B2B partners.

"We are well capitalised to execute our growth plans in Australia and the US, and with a strong US team now in place, we are well placed to deliver our growth strategy in H2 and beyond."

GROUP FINANCIAL PERFORMANCE

Market share gains drove a strong growth in Active Customers, Bet Count and Turnover as shown in Figure 1.



Figure 1: H1 FY23 Key Metrics Dashboard - Group

BlueBet's strong performance is underpinned by strong growth in Active Customer numbers. The historical growth in Active Customers for Australia is provided in Figure 2.

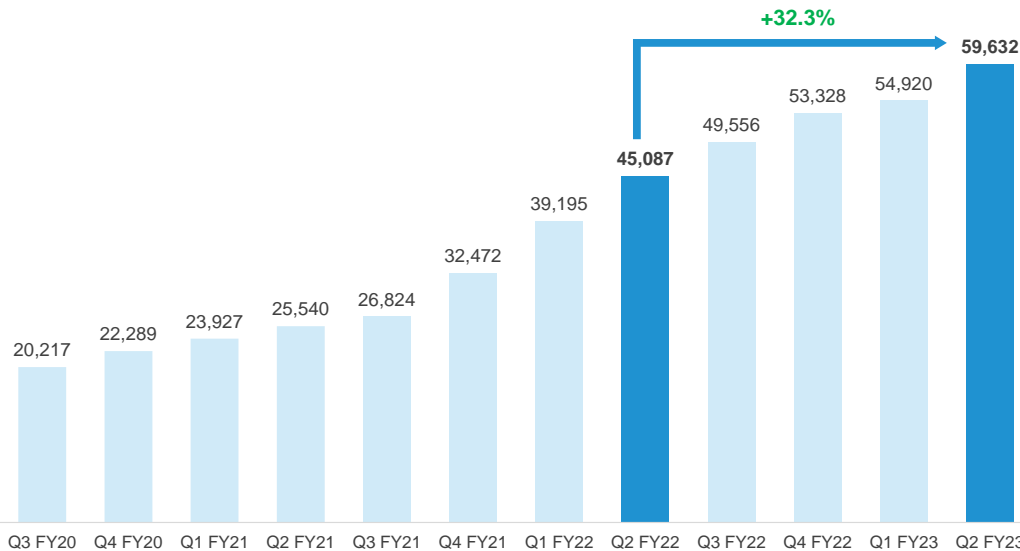


Figure 2: Quarterly growth in Active Customers over FY20 and H1 FY23

A summary of the key drivers of the financial outcomes in H1 FY23 versus the PCP for Australia is provided in Figure 3.

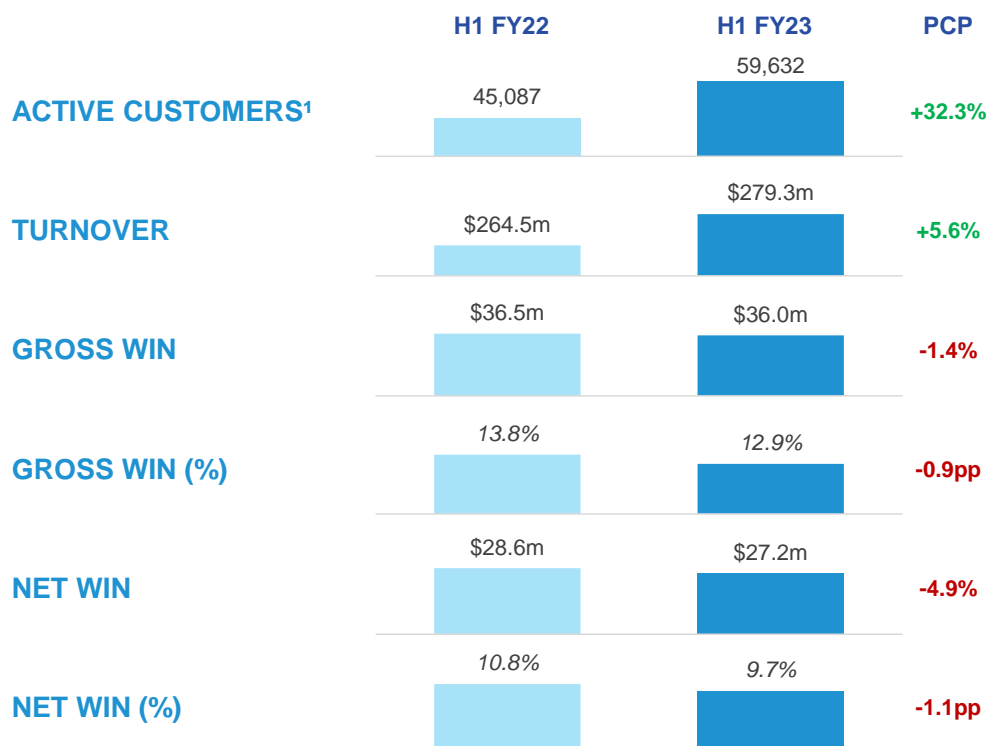


Figure 3: Full details of the company's results can be found in the H1 FY23 Results Presentation.

H2 PRIORITIES

Australia

- Return Australian business to positive Operating Cash Flow
- Continue to invest in product, with the BlueBet Global Platform to drive scalability and operational efficiencies
- Continue to differentiate and grow market share through disciplined acquisition of quality clients
- Launch first Free-to-Play game by leveraging our recent investment in Low6

US

- Colorado go-live and licencing progress for Louisiana and Indiana
- Continue to enhance US product by introducing HyperLive micro-live betting functionality
- Focused and disciplined marketing investment through hyper-local approach
- Progress discussions around B2B Sportsbook-as-a-Solution offering

AUTHORISATION

This announcement has been authorised for lodgement to ASX by the BlueBet Board of Directors

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About BlueBet

BlueBet is a mobile-first, online bookmaker with a vision to provide more innovative wagering products to customers of Australian and international racing and sports.

BlueBet offers wagering products on 31 sports in Australia and internationally, plus entertainment and politics wagering markets. BlueBet provides customers a wide range of traditional wagering products as well as more innovative products, such as Exotics, Same Game Multis and Same Race Multis.

BlueBet is powered by a scalable, cloud-based technology platform, which has been materially customised and enhanced by the Company to focus on providing customers with the best experience possible. BlueBet has developed its customer-facing technology platform, website and native apps with a mobile-first strategy, to deliver a premium mobile experience to the customer.