

ASX Announcement (ASX:BBT)

27 July 2023

Q4 FY23 Quarterly Activities Report, Appendix 4C & Business Update Record quarterly Net Win in Australia and strong US momentum

BlueBet Holdings Limited (ASX:BBT) (**BlueBet** or the **Company**) provides its Quarterly Cash Flow Report (**Appendix 4C**) and Quarterly Activities Report for the quarter ended 30 June 2023 (**Q4 FY23**).

Key Highlights:

- Record quarterly Net Win of \$14.9 million driven by strong 11.0% margin
- Continued market share growth in Australia, with Active Customers up 22.7% to 65,415 and Bet Count up 6.3% to 3.0 million
- Strong performance in Australian Sport with Turnover up 25.5%
- Marketing efficiencies deliver good growth in First Time Depositors at attractive ratio of Annual Client Value to CFTD of 2.3x
- Australian business remains operating cash flow positive (including corporate costs)
- Strong US B2C momentum continues, with ClutchBet live in two states and Louisiana application well advanced
- Product enhancements and localised marketing driving improved uptake, with local Colorado and lowa partnerships secured
- Discussions ongoing with potential US B2B partners, with proprietary technology platform a key selling point

BlueBet CEO Bill Richmond said: "Q4 was a very strong quarter for our Australian business, with record Net Win, strong margins and market share growth in our Sportsbook, where the BlueBet brand keeps punching above its weight. The Australian business remained operating cash flow positive, benefiting from our strong trading performance and disciplined marketing strategy, which continues to deliver efficient customer acquisition.

"In the US, we are gaining traction in our two initial B2C markets of Iowa and Colorado, and progressing towards approval in two more states, where we expect to be live by the end of the calendar year. Our US customers are responding to ClutchBet's differentiated offer and proprietary technology platform, which delivers a unique betting experience.

"We remain in discussions with potential partners for our B2B Sportsbook-as-a-Solution offer. Our turnkey solution enables partners to leverage the BlueBet team's decades of experience running profitable sportsbooks with the power of the BlueBet Global Platform.

"The significant investment we have made in our proprietary technology is bearing fruit, with monthly releases in Australia and the US greatly enhancing the customer experience. Our Global Trading Platform is now ready to be deployed and will deliver significant operating leverage as we grow."

Group Performance (A\$m)									
Key Metrics	Q4 FY23	Q4 FY22	vs. PCP	YTD FY23	YTD FY22	vs. PCP			
Turnover ²	135.6	126.7	+7.0%	536.7	511.9	+4.8%			
Gross Win ³	19.3	17.0	+13.5%	71.5	70.5	+1.4%			
Gross Win Margin	14.2%	13.4%	+0.8pp	13.3%	13.8%	-0.5pp			
Net Win⁴	14.9	12.8	+16.4%	54.0	54.6	-1.1%			
Net Win Margin	11.0%	10.1%	+0.9pp	10.1%	10.7%	-0.6pp			
GROUP PERFORMANCE									

BlueBet delivered record Net Win and continued to gain market share in Q4. All key metrics were ahead of the prior corresponding period (PCP), with Turnover up 7.0% and Net Win up 16.4%. The Net Win margin of 11.0% reflects a strong trading performance and demonstrates the team's ability to deliver profitable growth.

The Company continues to invest significantly to develop its core technology and deliver product enhancements. This investment is crucial to BlueBet's ability to attract and retain customers and is a key selling point for the Group's B2B ambitions in the US market.

BlueBet Australia Performance (A\$m)							
Key Metrics	Q4 FY23	Q4 FY22	vs. PCP	YTD FY23	YTD FY22	vs. PCP	
Turnover ²	131.6	126.7	+3.9%	530.0	511.9	+3.5%	
Gross Win ³	19.1	17.0	+12.4%	71.2	70.5	+1.0%	
Gross Win Margin	14.5%	13.4%	+1.1pp	13.4%	13.8%	-0.4pp	
Net Win⁴	14.9	12.8	+16.4%	54.1	54.6	-0.9%	
Net Win Margin	11.3%	10.1%	+1.2pp	10.2%	10.7%	-0.5pp	
No. Active Customers ⁵	65,415	53,328	+22.7%				
Key Metrics by Qtr.	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	vs. PCP	YTD FY23	
Turnover ²	133.0	146.3	119.1	131.6	+3.5%	530.0	
Gross Win ³	17.8	18.5	15.8	19.1	+1.0%	71.2	
Gross Win Margin	13.4%	12.6%	13.3%	14.5%	-0.4pp	13.4%	
Net Win⁴	13.5	13.7	12.0	14.9	-6.2%	54.1	
Net Win Margin	10.2%	9.4%	10.1%	11.3%	-1.0pp	10.2%	

¹ Unaudited and in Australian dollars unless otherwise stated

²Turnover is the dollar amount wagered by customers before any winnings are paid out or losses incurred

• Gross Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, excluding the cost of pricing promotions

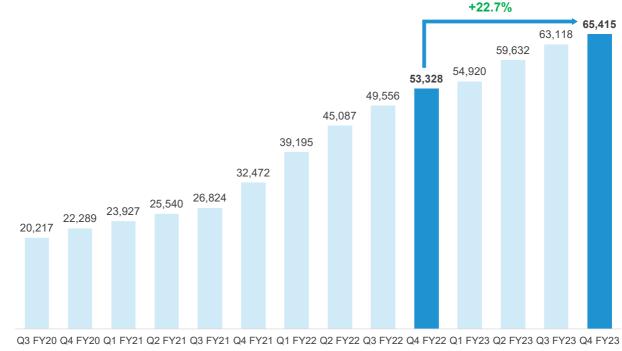
* Net Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, less customer promotional costs (the costs incurred to acquire and retain customers through bonus bets, money back offers, early pay-outs and enhanced pricing initiatives) ⁵ Customers that have placed a cash bet in the 12 months preceding the relevant period end date

AUSTRALIAN BUSINESS

BlueBet's strong momentum in Australia continued in Q4, with Active Customers up 22.7% and Turnover up 3.9% to 131.6 million.

With competition continuing to moderate as competitors pull back on promotional activity, BlueBet is well positioned to take advantage and gain further market share in FY24. The Company expects to achieve this with a significantly lower marketing spend than FY23, with marketing efficiencies to drive a lower cost of acquisition.

ACTIVE CUSTOMER¹ GROWTH



At 30 June 2023, BlueBet Australia had 65,415 Active Customers, up 22.7% on the PCP, demonstrating BlueBet's ability to attract and retain quality clients.

US BUSINESS

During the quarter, BlueBet's US B2C band, ClutchBet, went live in Colorado, the Company's second US B2C market and the sixth largest online wagering market in the US. Expanding into Colorado adds significant scale to BlueBet's US operations, and the Company is confident that its hyper-local marketing strategy will drive accelerated scale ahead of the NFL season. As part of this strategy, ClutchBet has secured a partnership with the Colorado Switchbacks, a USL soccer team located in Colorado Springs.

The Louisiana application is progressing well, and BlueBet anticipates submitting its platform to GLI for testing in the coming weeks.

Ongoing investment in the Company's proprietary technology platform continues to underpin its US expansion. With completion of the BlueBet Global Platform expected in Q1 FY24, the Company will be ready to move to the next stage of its 'Capital Lite' US market entry, with the Sportsbook-as-a-Solution offer for B2B partners. Discussions remain ongoing with several potential partners, with the quality of BlueBet's proprietary technology platform a key selling point.

CASH FLOW

- At 30 June 2023, the Company's cash balance was \$23.2 million, including customer deposits of \$4.5 million
- Net Win from customers for the quarter ended 30 June 2023 totalled \$14.9 million
- Net cash used from operating activities in the quarter ended 30 June 2023 was \$2.7 million, with the Australian business remaining cash flow positive (including Corporate costs), offset by a cash outflow of \$2.7 million in the US.

¹Australian Customers who have placed a cash bet in the 12 months preceding the relevant period end date

- Cash outflows during the quarter included cost of sales of \$6.6 million, staff costs of \$3.2 million, marketing costs of \$4.4 million, and administration, corporate costs, including GST on Australian Net Win of \$3.0 million
- Net cash used in investing activities in the quarter ending 30 June 2023 was \$1.8 million, largely resulting from capitalisation of technology costs for website and mobile app development and investment in the BlueBet Global Platform which is expected to be delivered in the coming quarter
- Payments to related parties totalled \$0.3 million and relate to payments to Executive & Non-Executive Directors for Salaries & Wages (inclusive of superannuation and applicable taxes withheld) and Director Fees on normal commercial terms

ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES

The Company is well funded to achieve its strategic objectives and planned activities. The table below shows the use of funds from the date of admission to the ASX on 2 July 2021 to 30 June 2023.

Use of Funds 2 Jul 2021 to 30 June 2023	Amount allocated (\$m)	Amount utilised (\$m)	Commentary
Marketing Spend in Australia	10.0	10.0	Fully utilised with additional marketing to be allocated through growth in the Australian business
Establish US business and acquire initial licences	30.0	13.2	In line with expectations.
Technology and platform development	4.7	12.9	As previously indicated in FY22 Results presentation, the business is reinvesting in Product Innovation and BlueBet Global Platform
Costs of the Offer	5.3	5.4	All costs of the offer have been paid and the total was \$0.1m above Prospectus value because of additional costs incurred following submission of the Prospectus
Proceeds to Existing Securityholders	30.0	30.0	In line with expectations
TOTAL	80.0	71.5	

AUTHORISATION

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

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For further information, please contact:

Investor enquiries Darren Holley CFO investor@bluebet.com.au Media enquiries Jack Gordon Citadel-MAGNUS jgordon@citadelmagnus.com

About BlueBet (ASX:BBT)

BlueBet is an international online wagering provider and bookmaker listed on the Australian Stock Exchange, with operations in Australia and the United States. BlueBet is powered by a proprietary cloudbased technology platform which is highly scalable and enables BlueBet to scale rapidly, as well as offering the platform as a white-labelled technology solution for B2B partners. BlueBet's customer-facing websites and native apps have been developed using a mobile-first strategy, delivering a premium mobile user experience.

FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS

This ASX release contains forward-looking statements, forecasts, estimates, projections, beliefs and opinions (**Forward-Looking Statements**). Forward-Looking Statements can be identified by the use of terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'projects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology.

Forward-Looking Statements reflect expectations as at the date of this release. However, they are not guarantees or predictions of future performance or events or statements of fact. They involve known and unknown risks, uncertainties and other factors, many of which are beyond BlueBet' control, and which may cause actual results to differ materially from anticipated results, performance or achievements expressed or implied by the Forward-Looking Statements contained in this presentation.

Other than as required by law, although they believe there is a reasonable basis for the Forward-Looking Statements, neither BlueBet nor any other person (including any director, officer or employee of BlueBet or any related body corporate) gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of each Forward-Looking Statement or that the occurrence of any event, results, performance or achievement will actually occur. Except as required by applicable laws or regulations, BlueBet does not undertake to publicly update or review any Forward-Looking Statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.