



ASX Announcement (ASX:BBT)

29 August 2024

## BlueBet to exit US to focus on core Australia market

### Highlights

- **BlueBet to exit US market following strategic review**
- **Decision to focus on core Australian market where we have a sustainable competitive advantage**
- **Ambition to grow domestic market share via organic and inorganic growth**

BlueBet Holdings Limited (ASX:BBT) (**BlueBet** or the **Company**) today announces its decision to exit the US market to focus its capital and operational efforts on its core Australian market.

The decision follows a strategic review of the Company's US operations as announced in April 2024 following BlueBet's merger with betr. The merger created a leading Australian wagering operator, bringing together BlueBet's best-in-class technology platform with betr's large and high-quality customer base, with a deeply experienced team setting the Company up for its next era of growth.

The Company's stated strategic objective is to exceed 10% market share in Australia in the short- to medium-term through a combination of organic and inorganic growth. It is confident its expertise in building and scaling Australian wagering operators and ongoing investment in technology will deliver outstanding experiences for customers and create value for shareholders.

The decision to exit the US comes as slower than expected regulation has hampered total market growth and hindered interest in the Company's B2B SaaS platform, which BlueBet viewed as a significant opportunity. Further, the industry dynamics in the US B2C market are such that scale players are currently dominant with smaller operators unable to achieve the necessary unit economics – driving a recent wave of consolidation and exits, which is likely to continue into FY25.

BlueBet's conservative "Capital-Lite" market entry strategy limited its investment in the US market. Excluding one-off costs, this will offer the Company the flexibility to redeploy the \$6 million to \$8 million per annum in cost savings realised from the US exit to fuel growth in its core Australian operations.

Importantly, the Company maintains ownership of its highly scalable, proprietary international sportsbook technology and will continue to pursue further monetisation of its technology assets in the US and internationally. BlueBet will collaborate with relevant partners and regulators to wind down the US operations and ensure the return of customer funds and anticipates incurring one-off separation costs related to the closure of its US operations.

Further details will be provided by the management team during the next quarterly update and investor call, scheduled for late-October. These costs, currently under commercial negotiation, will not affect the Company's existing operating plans.

The BlueBet Board remains committed to maximising value for its shareholders.

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## **AUTHORISATION**

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

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### **About BlueBet (ASX:BBT)**

BlueBet (ASX:BBT) 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 highly scalable proprietary cloud-based technology platform that can also be delivered as a white-labelled technology solution for B2B partners. BlueBet's websites and apps have been developed using a mobile-first strategy, delivering a premium mobile user experience.

On 1 July 2024, BlueBet merged with leading Australian online wagering company, betr, creating a major player in the Australian online wagering market. The company has a world-class board led by prominent Australian wagering industry figures Michael Sullivan and Matthew Tripp, and a highly experienced management team. From 14 August 2024, BlueBet adopted the betr brand for its Australian consumer facing operations.