



30 July 2021

ASX Announcement (ASX:BBT)

## **June Quarter (Q4 FY21) Quarterly Activities Report, Appendix 4C & Business Update**

BlueBet Holdings Limited (ASX:BBT) (**BlueBet** or the **Company**) is pleased to provide its Quarterly Cash Flow Report (**Appendix 4C**) and Quarterly Activities Report for the quarter ended 30 June 2021 (**Q4 FY21**).

BlueBet also provides an overview of its trading performance for Q4 FY21 (prior corresponding period being Q4 FY20 (**PCP**)).

### **HIGHLIGHTS**

- Post Quarter-end (2 July 2021) BlueBet Holdings Limited completed a highly successful listing on ASX;
- Key metrics for Q4 FY21 are ahead of forecasts resulting in strong FY21 performance;
- Q4 FY21 Turnover of \$96.5 million, up 39.8% relative to the PCP;
- Q4 FY21 Net Win of \$10.1 million, up 20.9% relative to the PCP;
- 32,472 Active Customers in FY21, up 45.7% relative to the PCP;
- Northern Territory Licence approval was received, and the business successfully migrated its licence on the 22 June 2021;
- Unaudited Net Revenue for FY21 is expected to be \$32.0 million relative to the prospectus forecast of \$31.4 million;
- Operating cashflow for Q4 FY21 and full year FY21 were \$1.8 million and \$8.3 million respectively. The full year result represents an increase in Operating cashflow of \$2.4 million relative to FY20;
- Post Quarter-end BlueBet signed a skin agreement with Dubuque Racing Association Ltd (**Dubuque**), the operator of Q Casino allowing BlueBet to conduct its online sportsbook operations in Iowa as an extension of Dubuque's existing casino licence; and
- Robust balance sheet, bolstered by primary IPO proceeds, provides the fuel to fund growth opportunities with a cash balance of \$56.1 million at 30 June 2021.

BlueBet reported strong PCP growth across the following key metrics:

BlueBet Performance (A\$m) <sup>1</sup>						
Key Metrics	Q4 FY21	Q4 FY20	Change vs PCP	FY21	FY20	Change vs PCP
Turnover <sup>2</sup>	96.5	69.0	+39.8%	344.7	188.1	+83.2%
Gross Win <sup>3</sup>	12.7	9.8	+29.8%	44.2	22.5	+96.4%
Gross Win Margin	13.1%	14.2%	-1.1pp	12.8%	12.0%	+0.8pp
Net Win <sup>4</sup>	10.1	8.3	+20.9%	35.6	18.5	+92.4%
Net Win Margin	10.4%	12.1%	-1.7pp	10.3%	9.8%	+0.5pp
No. Active Customers <sup>5</sup>	32,472	22,289	+45.7%			
Key Metrics by Qtr	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Increase on PCP	FY21
Turnover <sup>2</sup>	75.2	84.5	83.5	96.5	+39.8%	344.7
Gross Win <sup>3</sup>	9.6	11.5	10.4	12.7	+29.8%	44.2
Gross Win Margin	12.8%	12.9%	12.5%	13.1%	-1.1pp	12.8%
Net Win <sup>4</sup>	7.9	9.1	8.5	10.1	+20.9%	35.6
Net Win Margin	10.5%	10.2%	10.2%	10.4%	-1.7pp	10.3%

<sup>1</sup> Unaudited and in Australian dollars unless otherwise stated

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

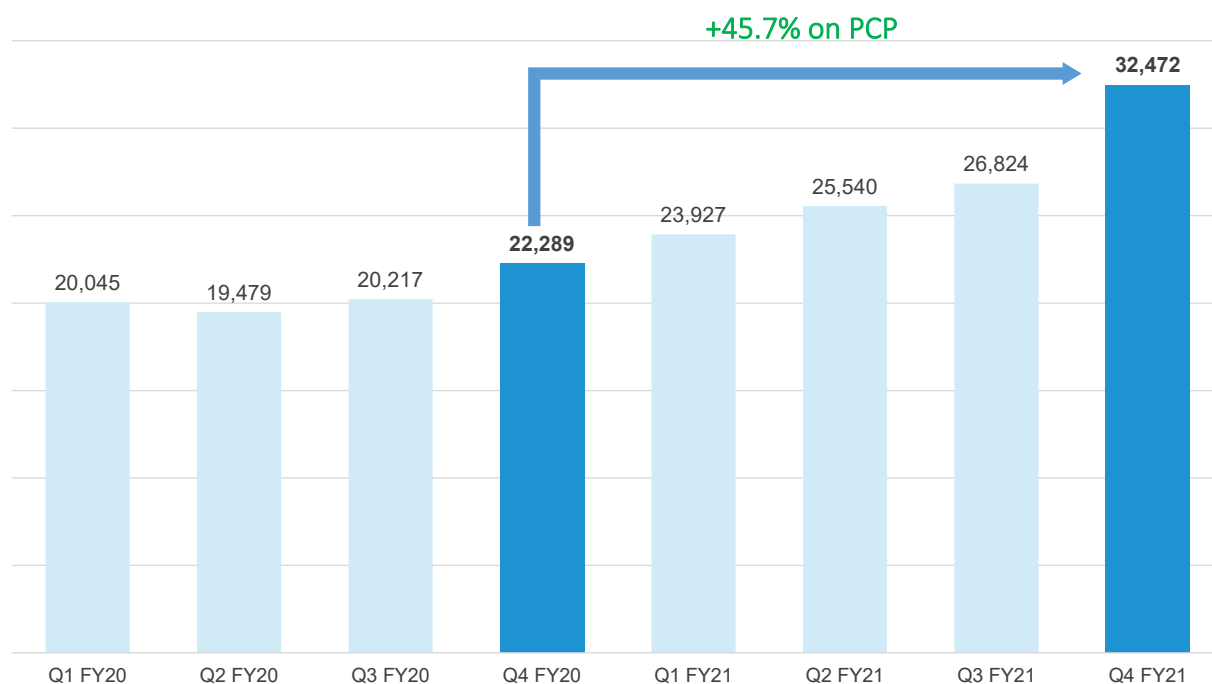
<sup>3</sup> Gross Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, excluding the cost of pricing promotions

<sup>4</sup> 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 payouts and enhanced pricing initiatives)

<sup>5</sup> Customers that have placed a cash bet in the 12 months preceding the relevant period end date

BlueBet continued its strong performance in Q4 FY21, ending the period with Turnover of \$96.5 million, up 39.8% relative to PCP and Net Win of \$10.1 million, up 20.9% relative to the PCP. Quarterly volatility slightly reduced Gross Win and Net Win margins relative to the PCP, however they remained healthy at 12.8% (exceeding prospectus forecast of 12.6%) and 10.3% (in line with prospectus forecast) respectively for FY21.

## **ACTIVE CUSTOMER<sup>1</sup> GROWTH**



<sup>1</sup> Customers who have placed a cash bet in the 12 months preceding the relevant period end date

For the 12 months to 30 June 2021, BlueBet had 32,472 Active Customers, a 45.7% increase compared to Active Customers for the 12 months to 30 June 2020, which significantly exceeded prospectus forecast of 27,925.

## **ENTRY INTO THE US MARKET**

Following extensive negotiations during the June Quarter, on 14 July 2021 the Company announced that its wholly owned subsidiary BlueBet Iowa LLC had signed a skin agreement with Dubuque, the operator of Q Casino. The skin agreement will allow BlueBet to conduct its online sportsbook operations in Iowa as an extension of Dubuque's existing casino licence.

Key features of the Dubuque agreement include:

- The new online sportsbook will be offered through BlueBet's mobile app and website platforms (pending completion of regulatory approval and licensing);
- The initial term of five years automatically renews for a further five years unless BlueBet provides notice of non-renewal by January 2026; and
- BlueBet will pay to Dubuque a portion of the Net Gaming Revenues derived from the online sportsbook operations.

The agreement is consistent with BlueBet's stated strategy of entering the USA with a staged approach. BlueBet has identified up to five priority states in the USA – Virginia, Iowa, Colorado, Tennessee and Maryland – for its initial market entry as a wagering provider. In these markets, BlueBet intends to pursue a B2C offering, which will allow it to establish a footprint and optimise the team and products for the USA market. This is a precursor to the Company's broader strategy of seeking partners to offer its Sportsbook-as-a-Solution offering.

BlueBet selected Iowa as one of its initial target jurisdictions based on criteria which include: legalised state-wide online mobile gaming; low capital expenditure requirements; acceptable taxation and regulatory requirements, as well as significant populations.

Negotiations for additional licences to operate in selected other US State jurisdictions also continued during the June Quarter.

## **CASHFLOW**

- At 30 June 2021, the Company's cash balance was \$56.1 million
- The Company has no corporate borrowings.
- Net Win from customers for the quarter ended 30 June 2021, totalled \$10.1 million
- Net cash from operating activities in the quarter ended 30 June 2021 was \$1.8 million.
- Cash outflows during the quarter included cost of sales of \$3.5 million, staff costs of \$1.2 million, marketing costs of \$1.3 million, income tax of \$0.6 million and administration, corporate costs and GST on Australian Net Win of \$2.0 million
- Net cash used in investing activities in the quarter ending 30 June 2021 was \$0.5 million. Capitalisation of technology costs was \$0.3 million and Capex relating to the set up of the Northern Territory and new Sydney office of \$0.2 million
- Cash flow from financing activities in Q4 FY21 was \$49.9 million. This includes inflows from the proceeds from the issues of shares were \$50.0 million, receipt of net Director loan repayment of \$4.8 million and employee option purchases of \$0.5 million. These were offset by outflows of IPO transaction expenses of \$4.1 million and a dividend of \$1.3 million paid to the sole pre-IPO Shareholder. These items were previously disclosed in the prospectus.

## **ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES**

The Company is well funded to achieve its strategic objectives and planned activities. Given funds from the IPO were only received on the 29 June 2021, the use of funds statement will be included in the next report.

## **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.

#### **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](mailto:investor@bluebet.com.au)

##### **Media Enquiries**

M&C Partners

Mel Hamilton

[Melissa.Hamilton@mcpartners.com.au](mailto:Melissa.Hamilton@mcpartners.com.au)

#### **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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

BlueBet Holdings Limited

**ABN**

19 647 124 641

**Quarter ended ("current quarter")**

30th June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers <sup>1</sup>	23,719.5	83,108.3
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs <sup>2</sup>	(3,508.0)	(15,089.6)
(c) advertising and marketing	(1,294.5)	(4,121.6)
(d) leased assets	(38.0)	(134.5)
(e) staff costs	(1,169.8)	(3,132.5)
(f) administration and corporate costs <sup>3</sup>	(2,023.2)	(4,693.4)
1.3 Dividends received (see note 3)		
1.4 Interest received	0.3	0.3
1.5 Interest and other costs of finance paid <sup>4</sup>	(22.2)	(75.9)
1.6 Income taxes paid	(572.0)	(1,122.0)
1.7 Government grants and tax incentives		
1.8 Other – Payments to customers <sup>5</sup>	(13,249.5)	(46,465.0)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,842.7</b>	<b>8,274.1</b>

1 Reflects customer deposits during the period.

2 Reflects Cost of Sales.

3 Includes GST collected & paid relating to Australian Net Win.

4 Represents interest costs of lease liabilities per AASB 16 "Leases" accounting standard.

5 Reflects customer withdrawals during the period. Note Net Win is derived from 1.1 & 1.8, less changes in customer balances. Net Win is identified separately in the accompanying presentation.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(184.1)	(269.0)
(d) investments		
(e) intellectual property <sup>6</sup>	(342.8)	(391.3)
(f) other non-current assets		(0.8)
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(526.9)</b>	<b>(661.1)</b>

<sup>6</sup> Includes capitalised development costs.

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities) <sup>7</sup>	50,000.0	50,000.1
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options <sup>8</sup>	520.3	520.3
3.4 Transaction costs related to issues of equity securities or convertible debt securities <sup>9</sup>	(4,122.1)	(4,163.6)
3.5 Proceeds from borrowings <sup>10</sup>	4,796.2	
3.6 Repayment of borrowings		

<sup>7</sup> Proceeds of IPO capital raise, as outlined in the prospectus.

<sup>8</sup> Consideration received from key management personnel and Non-Executive Directors for the purchase of LTIP options, as outlined in the prospectus.

<sup>9</sup> Relates to transaction costs paid associated with the IPO.

<sup>10</sup> Relates to the repayment in full of a previously drawn Directors Loan by then sole Director Michael Sullivan as outlined in prospectus. The company holds no commercial debt facilities other than those outlined at Section 7.2.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid <sup>11</sup>	(1,339.1)	(2,564.1)
3.9	Other bonds paid for new office premises		(43.9)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>49,855.3</b>	<b>43,748.8</b>

<sup>11</sup> Dividends paid to Sole Shareholder Michael Sullivan as outlined in prospectus.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,932.80	4,742.0
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,842.7	8,274.1
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(526.9)	(661.1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	49,855.3	43,748.8
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>56,103.9</b>	<b>56,103.9</b>

<b>5. Reconciliation of cash and cash equivalents</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	56,103.7	4,932.6
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (cash on hand)	0.2	0.2
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>56,103.9</b>	<b>4,932.8</b>



<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	238.1
6.2 Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

#### Payments to related parties

- Salaries & Wages (inclusive of superannuation and applicable taxes withheld) and Executive & Non-Executive Directors Fees.

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements	50.0	42.9
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>50.0</b>	<b>42.9</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>7.1</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
National Australia Bank Corporate Credit Card Facility. Interest rate: 18.5%		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	1,842.7
8.2 Cash and cash equivalents at quarter end (item 4.6)	56,103.9
8.3 Unused finance facilities available at quarter end (item 7.5)	7.1
8.4 Total available funding (item 8.2 + item 8.3)	56,111.0
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30<sup>th</sup> July 2021.....

Authorised by: Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.