



31 January 2022

ASX Announcement (ASX:BBT)

## **December Quarter (Q2 FY22) Quarterly Activities Report, Appendix 4C & Business Update**

***Strong growth in Turnover, Active Customers and Net Win continues as BlueBet beats Prospectus forecasts across all key metrics***

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 31 December 2021 (**Q2 FY22**).

BlueBet also provides an overview of its trading performance for Q2 FY22 (prior corresponding period being Q2 FY21 (**PCP**)).

### **HIGHLIGHTS**

- BlueBet exceeded its CY21 and 1H FY22 Prospectus forecasts for all key metrics, with Turnover, Net Win and Active Customers all materially ahead of the respective forecasts
- Record Turnover in Q2 FY22 of \$138.6 million, up 54.8% vs. the PCP
- Melbourne Cup week delivered new records for weekly Turnover (up 62.2% vs. PCP) and Betcount (up 63.3% vs. PCP)
- Q2 FY22 Net Win of \$13.8 million, up 51.6% vs. the PCP
- 45,087 Active Customers at period ending 31 December 2021, up 76.5% vs. the PCP
- Successfully deployed new website together with new Android and iOS mobile apps providing customers with BlueBet's fastest ever app and new product enhancements
- First Time Depositors (FTD) increased 86.9% for the quarter vs. PCP with the Cost of Acquiring an FTD of \$292 being a healthy 3.6x ratio to Annual Customer Value
- Post quarter end, BlueBet announced its second market access agreement in the US, partnering with Colorado-based casino operator, The Wild Card Saloon & Casino to operate a new B2C online sportsbook in Colorado
- Iowa licencing remains on track with first bets expected late March 2022

BlueBet reported strong growth vs. the PCP across the following key metrics:

BlueBet Performance (A\$m) <sup>1</sup>						
Key Metrics	Q2 FY22	Q2 FY21	Change vs PCP	YTD FY22	YTD FY21	Change vs PCP
Turnover <sup>2</sup>	138.6	89.5	+54.8%	264.5	164.7	+60.6%
Gross Win <sup>3</sup>	18.4	11.5	+59.4%	36.5	21.1	+73.0%
Gross Win Margin	13.3%	12.9%	+0.4pp	13.8%	12.8%	+1.0pp
Net Win <sup>4</sup>	13.8	9.1	+51.6%	28.6	17.0	+68.3%
Net Win Margin	10.0%	10.2%	-0.2pp	10.8%	10.3%	+0.5pp
No. Active Customers <sup>5</sup>	45,087	25,540	+76.5%			
Key Metrics by Qtr	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Change vs. PCP	YTD FY22
Turnover <sup>2</sup>	125.9	138.6			+60.6%	264.5
Gross Win <sup>3</sup>	18.1	18.4			+73.0%	36.5
Gross Win Margin	14.4%	13.3%			+1.0pp	13.8%
Net Win <sup>4</sup>	14.8	13.8			+68.3%	28.6
Net Win Margin	11.8%	10.0%			+0.5pp	10.8%

<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

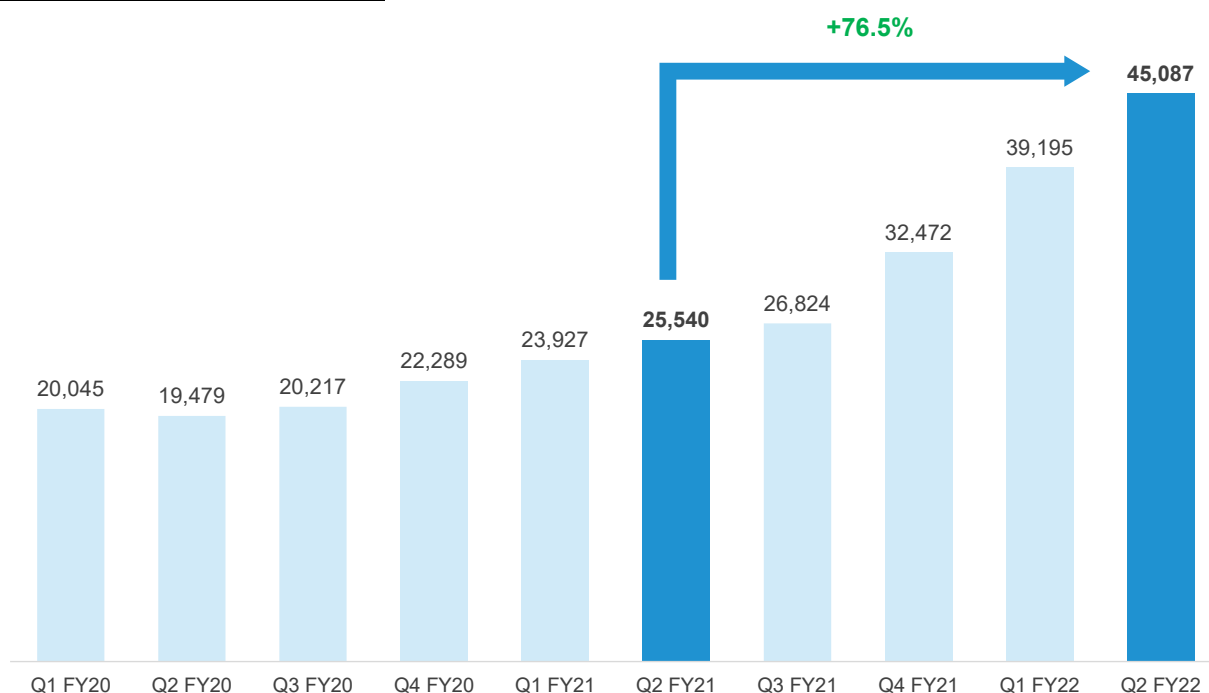
<sup>4</sup> Net Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, less customer promotional costs (the costs incurred to acquire and retain customers through bonus bets, money back offers, early payouts and enhanced 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 Q2 FY22, ending the period with Turnover of \$138.6 million, up 54.8% vs. the PCP and Net Win of \$13.8 million, up 51.6% vs. the PCP. In what was a very competitive quarter, the Company maintained double digit Net Win margin (10.0%) through its disciplined approach to managing promotions. Net Win margin for the six months YTD was a healthy 10.8%, up 0.5pp vs. the PCP and ahead of Prospectus forecasts. Importantly, BlueBet

exceeded its CY21 and 1H FY22 Prospectus forecasts across for key metrics. These include CY21 Turnover of \$444.6 million (+13.9%); Bet Count of 8.8 million (+14.1%); Net Win of \$47.1 million (+18.2%) and Active Customers of 45,087 (+13.2%).

### **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

As at 31 December 2021, BlueBet had 45,087 Active Customers, a 76.5% increase vs. to the PCP.

### **ENTRY INTO THE US MARKET**

Post quarter end, BlueBet announced that its wholly owned subsidiary BlueBet Colorado LLC has signed a skin agreement with The Wild Card Saloon & Casino, a casino operator based in Blackhawk, Colorado.

The agreement is BlueBet’s second skin agreement in the US and enables BlueBet to conduct B2C online sportsbook operations in Colorado as an extension of the existing casino licence (pending completion of regulatory approval and licencing). The agreement has a term of 10 years.

Market access agreements such as this, form the first stage of BlueBet’s two-stage US market entry strategy, being to launch a B2C business to gain access to the lucrative US market and demonstrate the capability of BlueBet’s technology and team. Once BlueBet has gained a foothold in the market, the second stage will be launching its white-labelled Sportsbook-as-a-Solution offering, enabling partners to benefit from BlueBet’s market-leading technology and expertise running successful sportsbooks.

The agreement continues BlueBet’s capital light two-stage US entry strategy and builds on the Company’s recent success in Iowa, which is expected to go live in late March 2022. The Company will remain agile in its approach to pursuing further US licences and remains in commercial discussions with skin holders in several other target states. It is also assessing other states where

sports betting is legal but not yet operational as well as states where legislation is in progress against its established entry criteria.

## **CASHFLOW**

- At 31 December 2021, the Company's cash balance was \$55.4 million which includes customer deposits of \$3.0m
- The Company has no corporate borrowings
- Net Win from customers for the quarter ended 31 December 2021, totalled \$13.8 million
- Net cash used from operating activities in the quarter ended 31 December 2021 was \$1.0 million
- Cash outflows during the quarter included cost of sales of \$6.3 million, staff costs of \$2.5 million, marketing costs of \$2.9 million, income tax of \$0.2 million and administration, corporate costs, including GST on Australian Net Win of \$2.5 million
- Net cash used in investing activities in the quarter ending 31 December 2021 was \$1.4 million with most of this reflecting capitalisation of technology costs relating to website and mobile app development costs
- 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 Company prepared the Prospectus in relation to the Offer of 70.2 million shares at an issue price of \$1.14 per share to raise \$80.0 million.

In Section 7.1 of the Prospectus, the Company provided a proposed use of funds statement. The table below shows the use of funds from the date of admission to the ASX, being 2 July 2021 to 31 December 2021 being the end of Q2 FY22.

<b>Use of Funds 2 July 2021 to 31 Dec 2021</b>	<b>Allocated Amounts (\$m)</b>	<b>Utilised Amounts (\$m)</b>	<b>Commentary</b>
Marketing Spend in Australia	10.0	4.1	In line with expectations
Establish US business and acquire initial licences	30.0	1.4	In line with expectations.
Technology and platform development	4.7	1.1	In line with expectations
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

<b>TOTAL</b>	<b>80.0</b>	<b>38.0</b>	
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## **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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## **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.