



29 July 2022

ASX Announcement (ASX:BBT)

## **June Quarter (Q4 FY22) Quarterly Activities Report, Appendix 4C & Business Update**

### ***Strong performance in Australia and significant progress in US market entry strategy***

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 2022 (**Q4 FY22** or **Q4**).

BlueBet also provides an overview of its trading performance for Q4 FY22 (prior corresponding period being Q4 FY21 (**PCP**)).

### **HIGHLIGHTS**

- Turnover up 31.3% to \$126.7 million driven by strong customer and Betcount growth
- Net Win up 27.3% to \$12.8 million
- Net Win Margin 10.1% in Q4 and a healthy 10.7% for FY22 (up 0.4pp vs. PCP)
- 53,328 Active Customers at end June 2022, up 64.2% vs. PCP
- Rolling 12-month First Time Depositors (FTD) up 60.8% on PCP in Q4
- Cost per FTD (CFTD) of \$386 being 2.7x Annual Customer Value which continues to provide great returns on our marketing investment to acquire quality clients
- Fourth US market access agreement secured, partnering with Caesars Entertainment Inc to operate a new B2C online sportsbook in Indiana under the ClutchBet brand
- Corporate Cash balance at end June of \$43.7 million, with the business well-funded to execute its "Capital Lite" US market entry strategy

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

BlueBet Performance (A\$m) <sup>1</sup>						
Key Metrics	Q4 FY22	Q4 FY21	Change vs PCP	YTD FY22	YTD FY21	Change vs PCP
Turnover <sup>2</sup>	126.7	96.5	+31.3%	511.9	344.7	+48.5%
Gross Win <sup>3</sup>	17.0	12.7	+34.0%	70.5	44.2	+59.5%
Gross Win Margin	13.4%	13.1%	+0.3pp	13.8%	12.8%	+1.0pp
Net Win <sup>4</sup>	12.8	10.1	+27.3%	54.6	35.6	+53.6%
Net Win Margin	10.1%	10.4%	-0.3pp	10.7%	10.3%	+0.4pp
No. Active Customers <sup>5</sup>	53,328	32,472	+64.2%			
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	120.7	126.7	+48.5%	511.9
Gross Win <sup>3</sup>	18.1	18.4	17.0	17.0	+59.5%	70.5
Gross Win Margin	14.4%	13.3%	14.1%	13.4%	+1.0pp	13.8%
Net Win <sup>4</sup>	14.8	13.8	13.2	12.8	+53.6%	54.6
Net Win Margin	11.8%	10.0%	10.9%	10.1%	+0.4pp	10.7%

<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

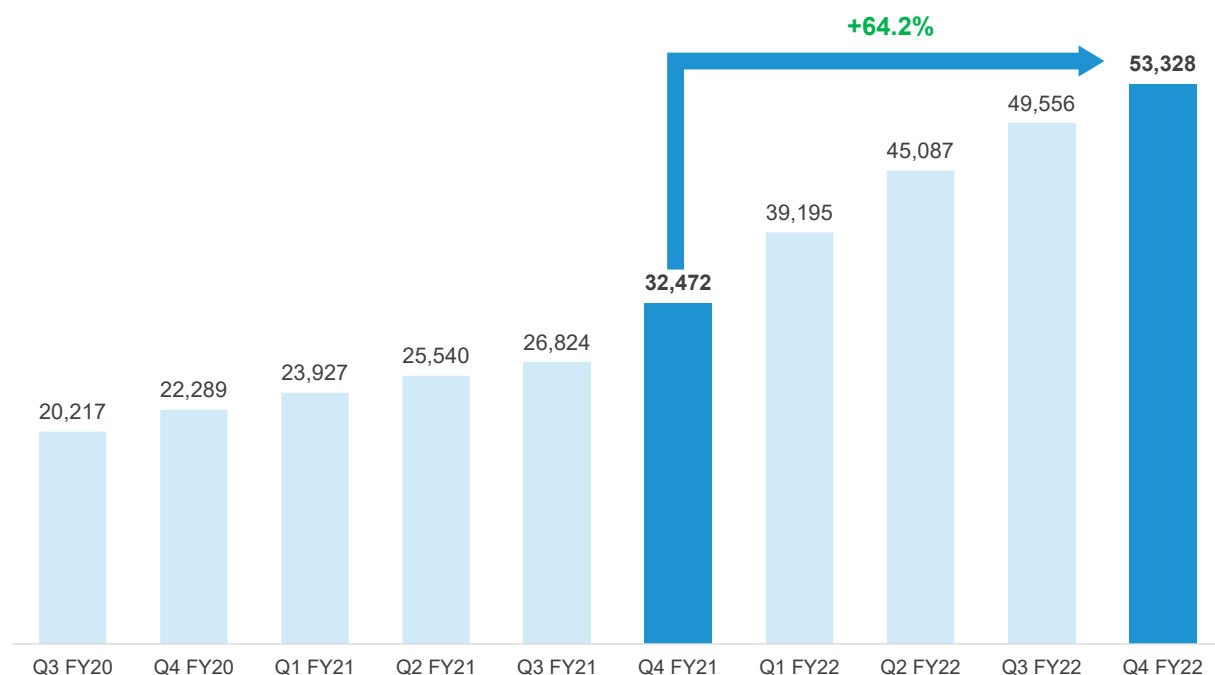
<sup>3</sup> Gross Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, excluding the cost of pricing promotions

<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 pay-outs 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 positive momentum and delivered a strong performance in Q4 FY22, delivering Turnover of \$126.7 million, up 31.3% vs. the PCP and Net Win of \$12.8 million, up 27.3% vs. the PCP. Gross Win Margin increased 0.3 percentage points with the slight decline in Net Win Margin to 10.1% the result of increased promotional activity in Q4. Net Win Margin remained at a healthy 10.7% for FY22 (up 0.4pp vs. the PCP). The strong Net Win Margin reinforces BlueBet's mobile-first strategy and the capability of its trading team.

## **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 30 June 2022, BlueBet had 53,328 Active Customers, a 64.2% increase on the PCP. Importantly the quality of these Active Customers is reinforced with the average Annual Customer Value holding above \$1,000 providing a 2.7x return on our marketing investment to acquire these customers.

## **ENTRY INTO THE US MARKET**

During the quarter, BlueBet announced that its wholly owned subsidiary BlueBet Indiana LLC signed a market access agreement with Caesars Entertainment, Inc., the largest casino-entertainment company in the US. The agreement is BlueBet's fourth market access agreement in the US and enables BlueBet to conduct B2C online sportsbook operations in Indiana under its recently announced B2C brand, ClutchBet (pending completion of regulatory approval and licencing). The agreement has a term of 10 years.

With market access secure in four U.S. states, BlueBet has the platform to complete the first stage of its two-stage "capital lite" U.S. entry strategy, being to launch its U.S. B2C brand ClutchBet and demonstrate the capability of its technology and team to run profitable sportsbooks in the U.S.

While there remains significant opportunity for B2C expansion into other target U.S. states, BlueBet's focus and capital will now be directed towards executing in its each of the four initial states, alongside seeking partners nationwide for the launch of its white-labelled Sportsbook-as-a-Solution B2B offer, the second stage of its U.S. entry strategy.

BlueBet is ready to go-live in Iowa under the ClutchBet brand pending final approvals. With platform testing successfully completed and final certification from GLI to shortly follow, the final

step before receiving licence approval from the Iowa regulator is to complete geo-location testing. Once complete, the Company expects to have its license approved in the coming weeks.

## **CASHFLOW**

- On 31 March 2022, the Company's cash balance was \$47.3 million which includes customer deposits of \$3.6m
- The Company has no corporate borrowings, with significant cash runway to execute its "Capital Lite" US market entry strategy
- Net Win from customers for the quarter ended 30 June 2022 totalled \$12.8 million
- Net cash used from operating activities in the quarter ended 30 June 2022 was \$2.2 million
- Cash outflows during the quarter included cost of sales of \$5.7 million, staff costs of \$3.2 million, marketing costs of \$3.5 million, income tax of \$0.2 million and administration, corporate costs, including GST on Australian Net Win of \$3.3 million
- Net cash used in investing activities in the quarter ending 30 June 2022 was \$2.1 million with most of this reflecting capitalisation of technology costs relating to website and mobile app development costs as well as upfront market access fees relating to Louisiana
- 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 30 June 2022 being the end of Q4 FY22.

<b>Use of Funds 2 July 2021 to 30 June 2022</b>	<b>Allocated Amounts (\$m)</b>	<b>Utilised Amounts (\$m)</b>	<b>Commentary</b>
Marketing Spend in Australia	10.0	5.0	Below expectations with the Australian business growth able to absorb the increase
Establish US business and acquire initial licences	30.0	4.3	In line with expectations.
Technology and platform development	4.7	4.4	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>49.1</b>	

## **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

--END--

### **For further information, please contact:**

#### **Investor Enquiries**

Darren Holley

CFO

[investor@bluebet.com.au](mailto:investor@bluebet.com.au)

#### **Media Enquiries**

Citadel-MAGNUS

Jack Gordon

[jgordon@citadelmagnus.com](mailto:jgordon@citadelmagnus.com)

## **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.