



**ASX Announcement (ASX:BBT)**

27 April 2023

## **Q3 FY23 Quarterly Activities Report, Appendix 4C & Business Update**

*Gaining share in Australia and now live in two US states*

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 31 March 2023 (**Q3 FY23**).

### **Key Highlights:**

- Continuing to gain market share in Australia, with Active Customers up 27.4% to 63,118 and Bet Count up 7.9% to 2.6m
- Effective promotional activity drives 48.6% increase in Sport Turnover, with strong growth in NRL, Soccer and US Sports
- Net Win margin back above 10%, reflecting improved trading performance
- Marketing efficiencies deliver strong growth in First Time Depositors with lower marketing spend
- Australian business returned to generating positive Operating Cash Flow
- ClutchBet now live in 2<sup>nd</sup> US state, with licence granted and technology approved in Colorado
- Significant technology progress in US with launch of multi-jurisdictional app (post-quarter end) and strong interest from potential partners for B2B Sportsbook-as-a-Solution model
- Technology investment to plateau after delivery of BlueBet Global Platform (BGP) by end FY23

BlueBet CEO Bill Richmond said: “We continued to make good progress in Q3, with market share gains in Australia driven by strong growth in Sports. With our Net Win margin back above 10% and our Australian business back to generating positive operating cash flow, we have demonstrated our ability to deliver sustainable, profitable growth.

“In the US, we are now live in two states after launching in Colorado in April, with two more states due to go live by the end of 2023 as we progress our “Capital Lite” US market entry strategy.

“Our US expansion will be underpinned by our significant investment in developing a scalable proprietary technology platform. The platform’s multijurisdictional capability enables us to expand rapidly into additional B2C markets, while unlocking our B2B Sportsbook-as-a-Solution offer which is attracting interest from potential partners.”

Group Performance (A\$m) <sup>1</sup>						
Key Metrics	Q3 FY23	Q3 FY22	vs. PCP	YTD FY23	YTD FY22	vs. PCP
Turnover <sup>2</sup>	120.2	120.7	-0.4%	401.1	385.2	+4.1%
Gross Win <sup>3</sup>	15.8	17.0	-7.1%	52.2	53.5	-2.4%
Gross Win Margin	13.1%	14.1%	-1.0pp	13.0%	13.9%	-0.9pp
Net Win <sup>4</sup>	12.0	13.2	-9.1%	39.1	41.8	-6.5%
Net Win Margin	10.0%	10.9%	-0.9pp	9.7%	10.9%	-1.2pp

## GROUP PERFORMANCE

BlueBet continued to gain market share in Q3, with strong growth in Active Customers and Bet Count. The Net Win margin returned above 10%, reflecting a strong trading performance and demonstrating BlueBet's ability to deliver profitable growth.

In Australia, marketing and promotional activity normalised, with marketing efficiencies delivering a 14.0% increase in First Time Depositors despite a 26.9% lower marketing spend, reflecting an improved CFTD of \$310.

The Company continued to develop its core technology, launching multi-jurisdictional apps which deliver an enhanced user experience and drive efficiency in further US jurisdictions, as well as enabling the B2B Sportsbook-as-a-Solution for prospective B2B partners.

BlueBet Australia Performance (A\$m) <sup>1</sup>						
Key Metrics	Q3 FY23	Q3 FY22	vs. PCP	YTD FY23	YTD FY22	vs. PCP
Turnover <sup>2</sup>	119.1	120.7	-1.3%	398.4	385.2	+3.4%
Gross Win <sup>3</sup>	15.8	17.0	-7.1%	52.1	53.5	-2.6%
Gross Win Margin	13.3%	14.1%	-0.8pp	13.1%	13.9%	-0.8pp
Net Win <sup>4</sup>	12.0	13.2	-9.1%	39.2	41.8	-6.2%
Net Win Margin	10.1%	10.9%	-0.8pp	9.9%	10.9%	-1.0pp
No. Active Customers <sup>5</sup>	63,118	49,556	+27.4%			
Key Metrics by Qtr.	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	vs. PCP	YTD FY23
Turnover <sup>2</sup>	133.0	146.3	119.1		+3.4%	398.4
Gross Win <sup>3</sup>	17.8	18.5	15.8		-2.6%	52.1
Gross Win Margin	13.4%	12.6%	13.3%		-0.8pp	13.1%
Net Win <sup>4</sup>	13.5	13.7	12.0		-6.2%	39.2
Net Win Margin	10.2%	9.4%	10.1%		-1.0pp	9.9%

<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)

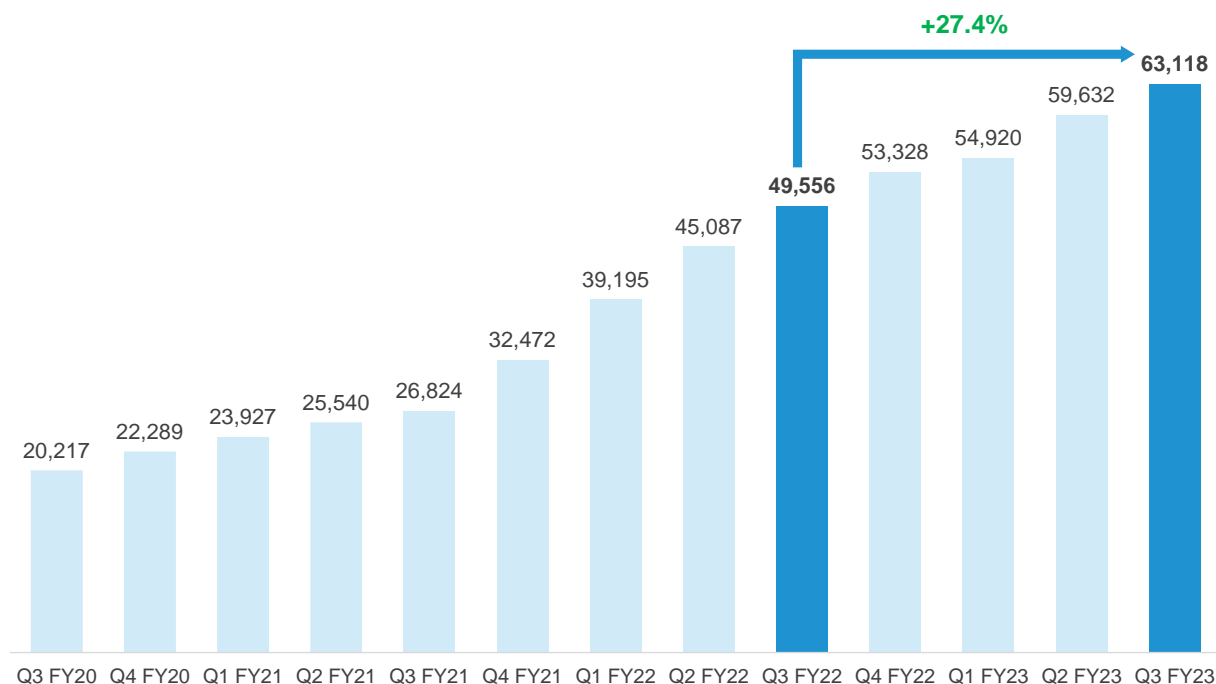
<sup>5</sup> Customers that have placed a cash bet in the 12 months preceding the relevant period end date

## AUSTRALIAN BUSINESS

Positive momentum continued in Q3, with Active Customers up 27.4% and Bet Count up 7.9% to 2.6 million. Importantly, Net Win margin returned above 10% despite a continued mix shift towards sport.

With an enhanced product offering leveraging the capability of BlueBet's US business, US sports delivered strong growth and drove total Sport turnover up 48.6% for the quarter.

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



**At 31 March 2023, BlueBet Australia had 63,118 Active Customers, up 27.4% on the PCP, demonstrating BlueBet’s ability to attract and retain quality clients.**

## US BUSINESS

Post quarter-end, ClutchBet went live in Colorado, its second US state. Colorado is the sixth largest US online wagering market and will add significant scale to BlueBet’s US operations.

With market access already secure in Louisiana and Indiana, and with both states expected to go live later in 2023, BlueBet has the platform to execute the first stage of its differentiated “Capital Lite” US Market entry strategy.

BlueBet’s new multi-jurisdictional app enables customers to be delivered a unique experience based on their location. From a single codebase, new products and features can be developed and deployed to multiple jurisdictions, a key feature as the Company progresses to a B2B Sportsbook-as-a-Solution offer.

During the quarter, the BlueBet team attended the Indian Gaming Tradeshow and Convention, where the white labelled B2B solution attracted strong interest, with commercial discussions in progress with several potential partners.

## CASH FLOW

- On 31 March 2023, the Company’s cash balance was \$27.5 million, including customer deposits of \$4.4 million
- Net Win from customers for the quarter ended 31 March 2023 totalled \$12.0 million
- Net cash used from operating activities in the quarter ended 31 March 2023 was \$2.3 million, with the Australian business returning to cash flow positive (including Corporate costs), offset by a cash outflow of \$2.4 million in the US.

<sup>1</sup>Australian 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 \$5.8 million, staff costs of \$3.0 million, marketing costs of \$3.3 million, and administration, corporate costs, including GST on Australian Net Win of \$3.2 million
- Net cash used in investing activities in the quarter ending 31 March 2023 was \$2.2 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 by end FY23
- Payments to related parties totalled \$0.2 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 31 December 2022.

<b>Use of Funds 2 Jul 2021 to 31 Mar 2023</b>	<b>Amount allocated (\$m)</b>	<b>Amount utilised (\$m)</b>	<b>Commentary</b>
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	12.1	In line with expectations.
Technology and platform development	4.7	11.1	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
<b>TOTAL</b>	<b>80.0</b>	<b>68.6</b>	

### **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 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 cloud-based 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's 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.

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