



29 April 2022

ASX Announcement (ASX:BBT)

March Quarter (Q3 FY22) Quarterly Activities Report, Appendix 4C & Business Update

Strong growth in key metrics and significant progress in US market entry

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 March 2022 (**Q3 FY22**).

BlueBet also provides an overview of its trading performance for Q3 FY22 (prior corresponding period being Q3 FY21 (**PCP**)).

HIGHLIGHTS

- Q3 FY22 Turnover of \$120.7 million (up 44.5% vs. PCP) driven by customer and Betcount growth
- Q3 FY22 Net Win of \$13.2 million, up 55.1% vs. PCP
- Strong Net Win % of 10.9% (up 0.7pp vs. PCP) rebounding from competitive December Quarter
- 49,556 Active Customers at period ending 31 March 2022, up 84.7% vs. PCP
- Rolling 12-month First Time Depositors (FTD) increased 86.1% for the quarter vs. PCP with the Cost of Acquiring an FTD of \$312 being a healthy 3.3x ratio to Annual Customer Value
- Appointment of key US senior leaders with the hire of SVP Operations and SVP Marketing for Americas
- Announcement of ClutchBet brand to spearhead BlueBet's US B2C launch as part of first stage of two-stage "Capital Lite" US entry strategy
- Post quarter end, third US market access agreement secured in Louisiana, partnering with Rubico Acquisition Corporation, owner of Louisiana Downs, a casino & horse racing track to operate a new B2C online sportsbook under the ClutchBet brand
- All documentation has been provided to the Iowa Racing & Gaming Commission and the new Americas Platform has been submitted to Gaming Laboratories International (GLI) and we await their approval ahead of going live in Iowa in Q4 FY22

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

| BlueBet Performance (A\$m) ¹ | | | | | | |
|---|---------|---------|---------------|----------|----------------|---------------|
| Key Metrics | Q3 FY22 | Q3 FY21 | Change vs PCP | YTD FY22 | YTD FY21 | Change vs PCP |
| Turnover ² | 120.7 | 83.5 | +44.5% | 385.2 | 248.2 | +55.2% |
| Gross Win ³ | 17.0 | 10.4 | +63.4% | 53.5 | 31.5 | +69.8% |
| Gross Win Margin | 14.1% | 12.5% | +1.6pp | 13.9% | 12.7% | +1.2pp |
| Net Win ⁴ | 13.2 | 8.5 | +55.1% | 41.8 | 25.5 | +63.9% |
| Net Win Margin | 10.9% | 10.2% | +0.7pp | 10.9% | 10.3% | +0.6pp |
| No. Active Customers ⁵ | 49,556 | 26,824 | +84.7% | | | |
| | | | | | | |
| Key Metrics by Qtr | Q1 FY22 | Q2 FY22 | Q3 FY22 | Q4 FY22 | Change vs. PCP | YTD FY22 |
| Turnover ² | 125.9 | 138.6 | 120.7 | | +55.2% | 385.2 |
| Gross Win ³ | 18.1 | 18.4 | 17.0 | | +69.8% | 53.5 |
| Gross Win Margin | 14.4% | 13.3% | 14.1% | | +1.2pp | 13.9% |
| Net Win ⁴ | 14.8 | 13.8 | 13.2 | | +63.9% | 41.8 |
| Net Win Margin | 11.8% | 10.0% | 10.9% | | +0.6pp | 10.9% |

¹ Unaudited and in Australian dollars unless otherwise stated

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

³ 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

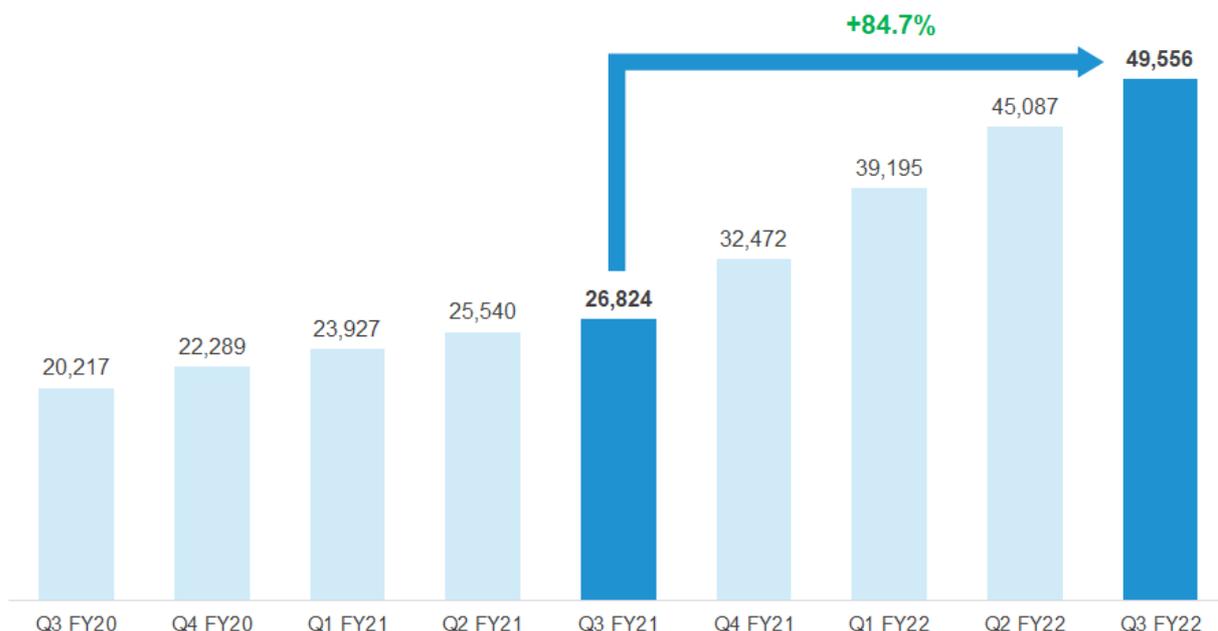
⁴ Net Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, less customer promotional costs (the costs incurred to acquire and retain customers through bonus bets, money back offers, early payouts and enhanced pricing initiatives)

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

BlueBet continued its strong momentum in Q3 FY22, ending the period with Turnover of \$120.7 million, up 44.5% vs. PCP and Net Win of \$13.2 million, up 55.1% vs. PCP. This growth was achieved alongside Gross and Net margin expansion which reinforces the strength of the Company's mobile-first strategy and the capability of BlueBet's trading team.

The Company maintained a double-digit Net Win margin at 10.9% through its disciplined approach to managing promotions. Net Win margin for the nine months YTD was a healthy 10.9%, an improvement of 0.6pp vs. PCP.

ACTIVE CUSTOMER¹ GROWTH



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

As at 31 March 2022, BlueBet had 49,556 Active Customers, an 84.7% increase vs. PCP.

ENTRY INTO THE US MARKET

Post quarter end, BlueBet announced that its wholly owned subsidiary BlueBet Louisiana LLC has signed a skin or market access agreement with Rubico Acquisition Corporation, which owns Louisiana Downs, a casino and horseracing track located in Bossier City, Louisiana.

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

BlueBet also announced that its charge into the US sports betting market will be spearheaded by its new B2C brand, ClutchBet, due to launch in Iowa in the coming weeks, followed by Colorado in Q1 FY23 and Louisiana in Q2 FY23. The launch of ClutchBet is a key milestone in BlueBet's two-stage Capital Lite US market entry strategy, being to launch a B2C business to access the US market to demonstrate the capability of BlueBet's technology and team, before launching a compelling, white-labelled Sportsbook-as-a-Solution offering.

During the quarter, BlueBet made two key senior appointments, with Jake Francis joining the business as Senior Vice President Americas Operations and Sean Phinney joining as Senior Vice President Americas Marketing. The experience both bring from scaling sportsbooks and operating within the US regulatory framework, will combine with other local talent to underpin the success of BlueBet's US expansion.

CASH FLOW

- On 31 March 2022, the Company's cash balance was \$51.6 million which includes customer deposits of \$3.8 million
- The Company has no corporate borrowings
- Net Win from customers for the quarter ended 31 March 2022, totalled \$13.2 million
- Net cash used from operating activities in the quarter ended 31 March 2022 was \$1.0 million
- Cash outflows during the quarter included cost of sales of \$5.2 million, staff costs of \$1.6 million, marketing costs of \$3.5 million, income tax of \$1.5 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 2022 was \$2.7 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 Colorado
- 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 Company prepared its 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 March 2022 being the end of Q3 FY22.

| Use of Funds 2 July 2021 to 31 Mar 2022 | Allocated Amounts (\$m) | Utilised Amounts (\$m) | Commentary |
|--|--|---------------------------------------|---|
| Marketing Spend in Australia | 10.0 | 4.8 | In line with expectations |
| Establish US business and acquire initial licences | 30.0 | 2.0 | In line with expectations. |
| Technology and platform development | 4.7 | 3.3 | 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 |
| TOTAL | 80.0 | 45.5 | |

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.