

1. Company details

Name of entity:	BlueBet Holdings Ltd
ABN:	19 647 124 641
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	down	5.4%	to	24,762
Loss from ordinary activities after tax attributable to the owners of BlueBet Holdings Ltd	up	1177.5%	to	(9,901)
Loss for the half-year attributable to the owners of BlueBet Holdings Ltd	up	1177.5%	to	(9,901)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$9,901,000 (31 December 2021: \$775,000).

EBITDA

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards ('AASBs') and represents the statutory result adjusted for specific items. The directors consider EBITDA to be one of the key financial measures of the Group.

The following table summarises key reconciling items between statutory profit after tax attributable to the shareholders of the company and EBITDA:

	Consolidated 31 Dec 2022 \$'000	31 Dec 2021 \$'000
(Loss)/profit after income tax	(9,901)	(775)
Add: Interest expense	22	39
Add: Depreciation and amortisation	889	251
Add: Income tax	(1,467)	334
EBITDA	<u>(10,457)</u>	<u>(151)</u>

3. Net tangible assets

	Consolidated	
	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Net assets	36,800	45,366
Less: Intangible assets	<u>(11,869)</u>	<u>(5,820)</u>
Net tangible assets	<u>24,931</u>	<u>39,546</u>
	Number of shares	Number of shares
Number of ordinary shares on issue at period end	200,109,649	200,109,649
	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>12.46</u>	<u>19.76</u>

If the right-of-use assets are included, the net tangible asset value per share is 12.50 cents (30 June 2022: 19.80 cents)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

The foreign entities are presented in compliance with Australian Accounting Standards (AASB).

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of BlueBet Holdings Ltd for the half-year ended 31 December 2022 is attached.

12. Signed

Signed  _____

Date: 28 February 2023

Michael Sullivan
Executive Chairman
Sydney

BlueBet Holdings Ltd

ABN 19 647 124 641

Interim Report - 31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of BlueBet Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of BlueBet Holdings Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Michael Sullivan	Executive Chairman
William (Bill) Richmond	Director and Chief Executive Officer
Tim Worner	Non-Executive Director
David Fleming	Non-Executive Director
Nigel Payne	Non-Executive Director

Principal activities

The principal activities of the company during the financial year were the offering of sports and racing betting products and services to online and telephone clients, via its innovative online wagering platform and mobile applications.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to \$9,901,000 (31 December 2021: loss of \$775,000 for BlueBet Pty Ltd as a single entity).

EBITDA

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards ('AASBs') and represents the statutory result adjusted for specific items. The directors consider EBITDA to be one of the key financial measures of the Group.

The following table summarises key reconciling items between statutory profit after tax attributable to the shareholders of the company and EBITDA:

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
(Loss)/profit after income tax	(9,901)	(775)
Add: Interest expense	22	39
Add: Depreciation and amortisation	889	251
Add: Income tax	(1,467)	334
EBITDA	<u>(10,457)</u>	<u>(151)</u>

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Sullivan
Executive Chairman

28 February 2023



**Building a better
working world**

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Auditor's independence declaration to the directors of BlueBet Holdings Limited

As lead auditor for the review of the financial report of BlueBet Holdings Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of BlueBet Holdings Limited and the entities it controlled during the financial period.

A handwritten signature in cursive script that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Simon Hannigan'.

Simon Hannigan
Partner
28 February 2023

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	17
Independent auditor's review report to the members of BlueBet Holdings Ltd	18

General information

The financial statements cover BlueBet Holdings Ltd as a Group consisting of BlueBet Holdings Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is BlueBet Holdings Ltd's functional and presentation currency.

BlueBet Holdings Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 9, 8 Spring Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2023. The directors have the power to amend and reissue the financial statements.

	Note	Consolidated 31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenue			
Wagering revenue		24,670	26,003
Cost of wagering services		(11,604)	(11,372)
Gross profit		13,066	14,631
Interest revenue calculated using the effective interest method		92	164
Expenses			
Employee benefits expense		(7,744)	(5,021)
Advertising and marketing expense		(11,400)	(6,802)
Memberships and subscriptions		(1,643)	(1,429)
IT expense		(1,143)	(165)
Administration expense		(424)	(699)
Depreciation and amortisation expense		(889)	(251)
Other expenses		(1,261)	(830)
Finance costs		(22)	(39)
Loss before income tax benefit/(expense)		(11,368)	(441)
Income tax benefit/(expense)		1,467	(334)
Loss after income tax benefit/(expense) for the half-year attributable to the owners of BlueBet Holdings Ltd		(9,901)	(775)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		38	14
Other comprehensive income for the half-year, net of tax		38	14
Total comprehensive loss for the half-year attributable to the owners of BlueBet Holdings Ltd		(9,863)	(761)
		Cents	Cents
Basic earnings per share	9	(4.95)	(0.39)
Diluted earnings per share	9	(4.95)	(0.39)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents		32,159	47,268
Trade and other receivables		474	632
Income tax refund due		1,055	1,013
Prepayments		1,239	721
Other assets		81	66
Total current assets		35,008	49,700
Non-current assets			
Investments	4	839	-
Property, plant and equipment		769	751
Right-of-use assets		909	1,097
Intangibles	5	11,869	5,820
Deferred tax asset		2,217	750
Other assets		94	94
Total non-current assets		16,697	8,512
Total assets		51,705	58,212
Liabilities			
Current liabilities			
Trade and other payables		7,398	6,670
Borrowings		100	111
Lease liabilities		399	378
Employee benefits		283	270
Provisions		898	650
Client deposits on hand		3,641	3,608
Total current liabilities		12,719	11,687
Non-current liabilities			
Trade and other payables		1,147	-
Borrowings		61	-
Lease liabilities		593	794
Employee benefits		385	365
Total non-current liabilities		2,186	1,159
Total liabilities		14,905	12,846
Net assets		36,800	45,366
Equity			
Issued capital		47,806	47,806
Reserves	6	4,696	3,361
Accumulated losses		(15,702)	(5,801)
Total equity		36,800	45,366

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2021	47,806	534	270	48,610
Loss after income tax expense for the half-year	-	-	(775)	(775)
Other comprehensive income for the half-year, net of tax	-	14	-	14
Total comprehensive (loss)/income for the half-year	-	14	(775)	(761)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 10)	-	1,290	-	1,290
Balance at 31 December 2021	<u>47,806</u>	<u>1,838</u>	<u>(505)</u>	<u>49,139</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	47,806	3,361	(5,801)	45,366
Loss after income tax benefit for the half-year	-	-	(9,901)	(9,901)
Other comprehensive income for the half-year, net of tax	-	38	-	38
Total comprehensive (loss)/income for the half-year	-	38	(9,901)	(9,863)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 10)	-	1,297	-	1,297
Balance at 31 December 2022	<u>47,806</u>	<u>4,696</u>	<u>(15,702)</u>	<u>36,800</u>

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (Client deposits)	74,602	65,406
Payments to customers (Client withdrawals)	(47,599)	(36,717)
Payments to suppliers and employees (inclusive of GST)	(35,609)	(25,485)
Interest received	92	164
Interest and other finance costs paid	(33)	(39)
Income taxes paid	(45)	(800)
	<u>(8,592)</u>	<u>2,529</u>
Cash flows from investing activities		
Payments for investments	(839)	-
Payments for property, plant and equipment	(70)	(76)
Payments for intangibles	(5,473)	(1,722)
	<u>(6,382)</u>	<u>(1,798)</u>
Cash flows from financing activities		
Share issue transaction costs	-	(1,209)
Repayment of leases	(181)	(226)
Repayment of chattel mortgage	(11)	(18)
	<u>(192)</u>	<u>(1,453)</u>
Net decrease in cash and cash equivalents	(15,166)	(722)
Cash and cash equivalents at the beginning of the financial half-year	47,268	56,104
Effects of exchange rate changes on cash and cash equivalents	57	-
	<u>32,159</u>	<u>55,382</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>32,159</u></u>	<u><u>55,382</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

Basis of preparation

These general purpose condensed financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

During the half-year ended 31 December 2022, the Group incurred a loss after tax of \$9,901,000 (31 December 2021: \$775,000 and had net operating cash outflows of \$8,592,000 (31 December 2021: inflows of \$2,529,000). Further, the Group has a net current assets position of \$22,289,000 at 31 December 2022 (30 June 2022: net current assets of \$38,013,000), as well as net assets position of \$36,800,000 (30 June 2022: net assets of \$45,366,000).

The directors believe that the funds available from existing cash reserves will provide the Group with sufficient working capital to carry out its stated objectives for at least the next 12 months from the date of signing these financial statements.

The financial statements have been prepared on the going concern basis for the above reasons. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segment being Australia and North America. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 2. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2022	Australia \$'000	North America \$'000	Corporate * \$'000	Total \$'000
Revenue				
Wagering revenue	24,741	(71)	-	24,670
Cost of wagering services	(11,581)	(23)	-	(11,604)
Gross profit	13,160	(94)	-	13,066
Interest received	-	-	92	92
Total revenue	13,160	(94)	92	13,158
Segment EBITDA				
Depreciation and amortisation	(4,469)	(3,885)	(2,103)	(10,457)
Finance costs				(889)
Loss before income tax benefit				(11,368)
Income tax benefit				1,467
Loss after income tax benefit				(9,901)
Assets				
Segment assets	56,801	(5,096)	-	51,705
Total assets				51,705
Liabilities				
Segment liabilities	12,727	2,178	-	14,905
Total liabilities				14,905

* Corporate segment expenses include KMP and director remuneration (inclusive of KMP and director share based payments expenses), Director fees, listed company costs (incorporating audit fees, investor relations, Group-wide insurance and company secretarial costs) and a component of the employment benefits of certain other head office based management.

Note 2. Operating segments (continued)

	Australia \$'000	North America \$'000	Corporate * \$'000	Total \$'000
Consolidated - 31 Dec 2021				
Revenue				
Wagering revenue	26,003	-	-	26,003
Cost of wagering services	(11,372)	-	-	(11,372)
Gross profit	14,631	-	-	14,631
<i>Unallocated revenue:</i>				
Interest received				164
Total revenue				14,795
Segment EBITDA				
Depreciation and amortisation	3,748	(611)	(3,288)	(151)
Finance costs				(251)
				(39)
Loss before income tax expense				(441)
Income tax expense				(334)
Loss after income tax expense				(775)
Consolidated - 30 Jun 2022				
Assets				
Segment assets	52,588	5,624	-	58,212
Total assets				58,212
Liabilities				
Segment liabilities	12,103	743	-	12,846
Total liabilities				12,846

* Corporate segment expenses include KMP and director remuneration (inclusive of KMP and director share based payments expenses), Director fees, listed company costs (incorporating audit fees, investor relations, Group-wide insurance and company secretarial costs) and a component of the employment benefits of certain other head office based management. For the year ended 31 December 2021 this included one-off employee costs related to the IPO.

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Australia	24,741	26,003	10,019	5,730
North America	(71)	-	4,461	2,032
	<u>24,670</u>	<u>26,003</u>	<u>14,480</u>	<u>7,762</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 3. Wagering revenue

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
<i>Revenue from wagering</i>		
Betting turnover (gross of GST)	280,512	264,485
Payouts on betting (gross of GST)	<u>(244,287)</u>	<u>(228,022)</u>
	36,225	36,463
Promotions given (gross of GST)	(9,088)	(7,860)
GST	<u>(2,467)</u>	<u>(2,600)</u>
Wagering revenue	<u><u>24,670</u></u>	<u><u>26,003</u></u>

Prior year comparative figures relating to betting turnover, payouts on betting and promotions given have been re-presented to include GST.

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
<i>Major product lines</i>		
Revenue from betting on:		
Sports	2,194	2,072
Horse racing	10,577	11,264
Greyhound racing	8,842	9,487
Harness racing	<u>3,057</u>	<u>3,180</u>
	<u><u>24,670</u></u>	<u><u>26,003</u></u>
<i>Geographical regions</i>		
Australia	<u><u>24,670</u></u>	<u><u>26,003</u></u>

All wagering revenue is recognised at a point in time when the outcome of all events to which a bet is related is known.

Note 4. Investments

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
<i>Non-current assets</i>		
Low6 investment	<u><u>839</u></u>	<u><u>-</u></u>

The investment is a strategic investment in a UK-based sports gamification platform provider. The investment is classified as a financial asset and, at the Group's election, is carried at fair value through other comprehensive income.

Note 5. Intangibles

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
<i>Non-current assets</i>		
Website and apps - at cost	8,919	4,883
Less: Accumulated amortisation	(918)	(416)
	<u>8,001</u>	<u>4,467</u>
Patents and trademarks - at cost	44	44
Licencing - at cost *	3,824	1,309
	<u>11,869</u>	<u>5,820</u>

* Relates to upfront US licence payments of \$2,721,000 (30 June 2021: \$1,309,000) and the present value of future payments for US market access of \$1,103,000 (30 June 2021: \$nil).

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Website	Patents and	Licencing	Total
	\$'000	trademarks	\$'000	\$'000
		\$'000		
Balance at 1 July 2022	4,467	44	1,309	5,820
Additions	4,036	-	2,607	6,643
Amortisation expense	(502)	-	(92)	(594)
Balance at 31 December 2022	<u>8,001</u>	<u>44</u>	<u>3,824</u>	<u>11,869</u>

Note 6. Reserves

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
Foreign currency reserve	275	237
Share-based payments reserve	4,421	3,124
	<u>4,696</u>	<u>3,361</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of unvested equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 6. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency translation \$'000	Share-based payment \$'000	Total \$'000
Balance at 1 July 2022	237	3,124	3,361
Foreign currency translation	38	-	38
Share-based payments	-	1,297	1,297
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	275	4,421	4,696
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 7. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2022 and 30 June 2022.

Note 9. Earnings per share

	Consolidated 31 Dec 2022 \$'000	31 Dec 2021 \$'000
Loss after income tax attributable to the owners of BlueBet Holdings Ltd	<u>(9,901)</u>	<u>(775)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share *	<u>200,109,649</u>	<u>200,109,649</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>200,109,649</u>	<u>200,109,649</u>
	Cents	Cents
Basic earnings per share	(4.95)	(0.39)
Diluted earnings per share	(4.95)	(0.39)

* the weighted average number of shares for the comparative period has been restated to represent the change in capital structure of the company as a result of the restructure when listing, as if the change had occurred at the beginning of the comparative period.

As at the reporting date, the consolidated entity had 11,795,640 potential ordinary shares (including escrowed and future vesting) and 5,362,428 performance rights over ordinary shares that could potentially dilute basic earnings per share in the future, but were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

Note 10. Share-based payments

BlueBet Long-Term Incentive Plan (LTIP)

The company has established a LTIP to assist in the motivation, retention and reward of certain employees, Non-Executive Directors and key management personnel engaged by the company or any of its subsidiaries ('Participants'). The LTIP is designed to align the interests of participants more closely with the interests of shareholders by providing them an opportunity to receive the benefit of increases in the value of shares in the company through the granting of performance rights, options and/or shares.

Note 10. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	11,285,640	\$1.14	10,285,640	\$1.14
Granted	<u>510,000</u>	\$0.49	<u>-</u>	\$0.00
Outstanding at the end of the financial half-year *	<u>11,795,640</u>	\$1.11	<u>10,285,640</u>	\$1.14
Exercisable at the end of the financial half-year	<u>-</u>		<u>-</u>	

* The options outstanding as at 31 December 2022 commence vesting from 30 June 2023.

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 5.6 years (31 December 2021: 6.5 years).

BlueBet Employee Equity Incentive Plan

A share incentive plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant performance rights over ordinary shares in the company to certain key management personnel of the consolidated entity. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of performance rights granted under the plan:

	Number of rights 31 Dec 2022	31 Dec 2021
Outstanding at the beginning of the financial half-year	800,131	-
Granted	4,653,876	800,128
Exercised	<u>(91,579)</u>	<u>-</u>
Outstanding at the end of the financial half-year	<u>5,362,428</u>	<u>800,128</u>
Exercisable at the end of the financial half-year	<u>68,447</u>	<u>-</u>

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2022	30/06/2029	\$0.54	\$0.49	383.00%	-	3.69%	\$0.530

Note 10. Share-based payments (continued)

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Fair value at grant date
24/11/2022	31/08/2023	\$0.41	\$0.00	\$0.410
24/11/2022	31/08/2024	\$0.41	\$0.00	\$0.410
24/11/2022	31/08/2025	\$0.41	\$0.00	\$0.410
24/11/2022	31/08/2023	\$0.41	\$0.00	\$0.410
24/11/2022	31/08/2024	\$0.41	\$0.00	\$0.410
24/11/2022	31/08/2025	\$0.41	\$0.00	\$0.410

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Sullivan
Executive Chairman

28 February 2023



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Independent auditor's review report to the members of BlueBet Holdings Limited

Conclusion

We have reviewed the accompanying half-year financial report of BlueBet Holdings Limited (the Company) and its subsidiaries (collectively 'the Group'), which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Simon Hannigan'.

Simon Hannigan

Partner

Sydney

28 February 2023