



30 November 2023

ASX Announcement (ASX: BBT)

2023 AGM addresses

Chair's address

Good morning fellow shareholders and thank you for joining us today.

I am pleased to report that the 2023 financial year was another year of successful strategic execution for BlueBet, as we continue to gain share and outperform in the highly competitive Australian market, while making strides in the US with our targeted and capital-lite market entry strategy.

Our strong growth continues to be underpinned by a significant investment in developing a product that provides a market-leading user experience, as well as our proprietary technology platform, the BlueBet Global Platform. This investment is beginning to bear fruit, with the platform now largely complete, and we are confident it will continue to be a key differentiator for us in both markets.

Under the leadership of our CEO Bill Richmond, the team's efforts have positioned BlueBet for long-term growth, and I'm very proud of the progress we have made this year and since our IPO in 2021.

Committed to responsible wagering

I would like to touch on the evolving regulatory environment in Australia and BlueBet's commitment to responsible wagering.

BlueBet has a strong commitment to responsible wagering to ensure our customers have a safe and enjoyable wagering experience.

We have demonstrated this commitment through a range of initiatives, policies and tools, including stringent governance protocols, staff training, updated transaction monitoring programs and monthly customer activity statements. We have also integrated our systems with BetStop, a National Self exclusion register launched earlier in the year, which we offer alongside a range of pre-commitment tools for our customers.

The recent parliamentary enquiry into online wagering made 31 provisional recommendations across advertising, training, and regulatory consolidation. As a mobile-first wagering provider with a targeted marketing strategy that is not reliant on linear television advertising, and robust responsible wagering practices, we believe BlueBet is well positioned in light of these recommendations.

We see Australia as a vibrant and attractive market, and we remain committed to leading the way as a challenger brand, aiming to match industry leading standards that exceed the regulatory requirements.

US market opportunity

Turning to the US, where the market opportunity continues to grow as the market matures.

To date, 22 states have full legalised online mobile sports wagering and five states have limited mobile betting options. A further 10 states have in-person retail only betting and two states – South Carolina and Vermont – are awaiting further action by regulators before going live.

Having established our US headquarters in Denver, Colorado, BlueBet is now live in our first two US states – Iowa and Colorado – under our ClutchBet brand, and nearing go-live in Louisiana with Indiana to follow in the coming months.

Recent trends in the US have reinforced our confidence that our capital-lite strategy will deliver the most value for shareholders, and we remain focused on delivering our two-stage strategy to take our share of this significant and attractive market opportunity.

Looking ahead

I would like to extend my thanks to the entire BlueBet team for their passion and commitment which have been instrumental in delivering our strong results to date.

Developing a world-class team is integral to our ability to continue to grow, take share and execute our strategy. We are committed to investing in our team and continuing to attract the most talented and experienced people from within our industry and elsewhere.

To our fellow shareholders, thank you for your continued support. We are pleased with our progress but remain hungry to continue our growth relative to the market.

Now, I'll hand over to Bill for a more detailed review of our FY23 performance and the outlook for FY24 before we commence the formal business of the meeting.

Michael Sullivan
Executive Chairman

CEO's Address

As Michael said, FY23 was another strong year for BlueBet, as we continued to achieve significant strategic milestones and make good progress in Australia and the US.

FY23 highlights

FY23 was a year of continued market share growth for BlueBet in Australia, as we continued to outperform in a competitive market.

Effective marketing investment delivered growth in Active Customers growing 25.5% to 66,929, with Turnover up 4.8% to \$536.6 million as we maintained robust margins despite increased competition and a changing portfolio mix.

We also continued to invest in our proprietary technology platform, which has positioned us for continued market share gains with an enhanced user experience. With the BlueBet Global Platform now largely delivered, we will be able to drive further scalability and operational efficiencies.

Our capital-lite US entry strategy is progressing well, with ClutchBet now live in its first two markets of Iowa and Colorado, and we look forward to taking first bets in Louisiana in coming weeks as we continue to progress stage 1 of our US market entry.

Importantly, our Australian trading business was operating cash flow positive in H2 and is expected to be operating cash flow positive in FY24.

Operational highlights

We had many operational highlights during the year, including the approval and certification of our platform and mobile apps in the US and subsequent go-live in Colorado with our multi-jurisdictional platform.

In Australia, we launched our 2nd marketing and advertising campaign, "BlueBet Kinda Guy" ahead of the Spring Racing carnival, with Melbourne Cup Day delivering record turnover and Bet Count.

During the year, we exhibited at the Indian Gaming Tradeshow, where we received positive feedback from potential partners keen to access BlueBet's technology platform. We are currently in discussions with a number of potential partners including casino groups, sporting organisations and Native American casinos, with interest in BlueBet's scalable technology and proven sportsbook management capabilities a key selling point.

We continue to enhance our core product, with a wide range of new enhancements and products launched including our HyperLive Micro in-play betting in the US, which provides our customers with hundreds of additional markets. Growth in the US market will be driven by in-play betting on major US sports, and we have focused on increasing the number of betting opportunities available to customers in these key events.

Brand overhaul and Australian marketing strategy

Pleasingly, our strong momentum has continued into FY24, with continued market share gains in Australia and the launch of a refreshed brand campaign spearheaded by brand ambassador, Matt Nable. The new "Home Grown Bookie" campaign has been successful in efficiently raising brand awareness and driving new customers to the site with branded search impressions up 55% and unique visitors to BlueBet up 70% despite lower overall investment. Our partnerships with the Dolphins NRL

team and BlueBet Stadium have been very effective in enabling us to navigate the competitive market and drive growth and brand awareness.

The high return on our marketing investment has enabled us to rapidly scale in Australia, while remaining operating cash flow positive, and we will remain focused and disciplined in our marketing approach.

US market progress

In the US, where our capital-lite approach differentiates us, we continue to make inroads and grow our customer base.

ClutchBet is up and running in Iowa and Colorado, with Louisiana to follow in the coming weeks. Our B2C strategy was always about refining our product to suit the American punter before scaling up and offering our platform and expertise to B2B partners.

Our hyper-localised marketing strategy including sponsorship and activation agreements are delivering encouraging growth. We are thrilled with the local sponsorships we have secured in Iowa and Colorado, including ClutchBet branded sports lounges and partnering with local recreational and professional sporting teams.

Having secured four initial markets, we now have access to a combined population of over 20 million people, providing a clear path to profitability in each jurisdiction as we execute our B2C strategy and move towards a white-labelled B2B Sportsbook-as-a-Solution offer.

Positive momentum continuing in FY24

FY24 has seen BlueBet continue our positive momentum, achieving another record quarter for Turnover in Q1. Our differentiated brand and product offerings have enabled us to consistently gain market share and outperform the Australian market. The efficiencies we have driven from our marketing spend have us on target to deliver increased growth from a significantly reduced marketing budget. This will be a key driver of our profitable growth in Australia.

In Q1, Active Customers increased by 21.1%, and despite shifts in sports preferences and favourites winning both the NRL and AFL finals, the Net Win margin remained above 10%.

The positive trend continued for the Australian business over the important Spring Carnival period. In Q2 to 28 November, the Australian business delivered 17% increase in Net Win with a further 17% growth in Active Customers as we continue to grow market share. In October, we had record monthly actives and are on track to better that record again in November. This lays the foundation for continued revenue market growth and share growth driven by our strong technology and team. Looking ahead, we expect the Australian business to be operating cash flow positive for FY24.

Significant investments in our core platform remain a priority, with five updates released in Australia and four in the US in Q1 alone. This investment is crucial to attract and retain customers and is a key selling point for our potential B2B partners in the US market. The introduction of our Multi-Jurisdictional App enhances platform efficiencies, enabling the development of new products and features that can be deployed across multiple jurisdictions.

I'd like to thank the entire BlueBet team for their hard work and commitment during FY23. There is a huge opportunity ahead of us, and I am confident we have the right team and strategy to capture it. Thanks also to the Board for their guidance this year, and as ever, to our shareholders for your continued support.

With that, I'll now hand back to Michael for the formal business of the meeting.

Bill Richmond
Chief Executive Officer

This announcement has been authorised for release to ASX by the Board of Directors of BlueBet Holdings Limited.

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For further information, please contact:

Investor enquiries

Darren Holley

CFO

investor@bluebet.com.au

Media enquiries

Jack Gordon

Citadel-MAGNUS

jgordon@citadelmagnus.com