



ASX Announcement (ASX:BBT)

31 July 2024

Q4 FY24 Quarterly Activities Report, Appendix 4C & Business Update

Strong performance in final quarter before transformational merger with betr

BlueBet Holdings Limited (ASX:BBT) (**BlueBet** or the **Group** or the **Company**) provides its Quarterly Cash Flow Report (**Appendix 4C**) and Quarterly Activities Report for the quarter ended 30 June 2024 (**Q4 FY24** or **Q4**).

Highlights¹:

- Transformational merger with betr completed on 1 July 2024, creating a profitable, leading Australian wagering operator, with a combined management team and a new Board of Directors
- Realisation of \$14m per annum in cost synergies on track with remainder to be delivered upon completion of customer migration onto the BlueBet platform by September
- Cash position strengthened following successful completion of \$20.0m placement
- Continued market share gain, with record quarterly Q4 Turnover of \$162.5 million (+19.8%) and Active Customers up to 76,300 (+14.0%)
- Record Net Win of \$17.7 million (+18.8%) and strong Net Win margin of 10.9% (Australia 11.3%)
- Disciplined and efficient customer acquisition in Australia drives significantly improved Average Annual Customer Value to Cost per First Time Depositor ratio of 4.4x
- Continued investment in technology has the Company well positioned to complete the Betr integration ahead of the Spring Racing Carnival and monetise their large customer data base
- Indiana market access agreement terminated and strategic review of US operations underway

BlueBet COO, Bill Richmond, said: *“In our final quarter as a standalone entity before our transformational merger with betr, BlueBet delivered another strong performance, with record turnover and net win as we continue to outperform the market in Australia.*

“In the US, we continue to scale and enhance our global platform and have commenced the strategic review of that business where we expect the outcome to be announced ahead of our FY24 annual results.”

BlueBet CEO, Andrew Menz said: *“I am excited to join BlueBet at an important time for the Company. By combining BlueBet’s best-in-class technology platform with betr’s large and high-quality customer base, as well as our experienced and talented teams, we are creating a profitable, leading player in the Australian online wagering market.*

“Integration of the two businesses is progressing well, with our team working hard to deliver the growth opportunities and synergies unlocked by the merger. Customer migration onto the BlueBet platform is expected to be completed before the end of August, and we will be launching our new, unified brand ahead of the Spring Racing Carnival period. We expect Australian punters to be attracted by our unique proposition and best-in-class technology, which will deliver a significantly enhanced user experience.

¹ All comparisons relate to the prior corresponding period (PCP) unless otherwise stated

“We are committed to maximising value for shareholders and will continue to review our operations with a focus on generating the best returns on capital.”

GROUP PERFORMANCE

Group performance (A\$m) ²						
Key Metrics	Q4 FY24	Q4 FY23	vs. PCP	FY24	FY23	vs. PCP
Turnover ³	162.5	135.6	+19.8%	633.5	536.7	18.0%
Gross Win ⁴	21.3	19.3	+10.4%	81.8	71.5	14.4%
Gross Win Margin	14.2%	13.1%	-1.1pp	12.9%	13.3%	-0.4pp
Net Win ⁵	17.7	14.9	+18.8%	64.2	54.0	18.9%
Net Win Margin	11.0%	10.9%	-0.1pp	10.1%	10.1%	-

BlueBet delivered record quarterly Q4 Turnover of \$162.5 million, up 19.8% on the prior corresponding period (PCP), driven by continued market share gains in Australia and the US. Net Win was up 18.8% to a new quarterly record of \$17.7 million, with the Net Win margin strong at 10.9%.

BlueBet’s market-leading technology provides a platform for long-term growth, and the Company is focused on completing key platform enhancements ahead of the Spring Racing Carnival.

AUSTRALIAN BUSINESS

BlueBet Australia performance (A\$m) ²						
Key Metrics	Q4 FY24	Q4 FY23	vs. PCP	FY24	FY23	vs. PCP
Turnover ³	153.6	131.6	+16.7%	591.9	530.0	+11.7%
Gross Win ⁴	20.8	19.1	+8.9%	79.5	71.2	+11.7%
Gross Win Margin	13.6%	14.5%	-0.9pp	13.4%	13.4%	-
Net Win ⁵	17.3	14.9	+16.1%	63.3	54.1	+17.0%
Net Win Margin	11.3%	11.3%	-	10.7%	10.2%	+0.5pp
No. Active Customers ⁶	70,456	65,415	+7.7%			
Key Metrics by Qtr.	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q4 vs. PCP	YTD FY24
Turnover ³	143.9	154.8	139.6	153.6	+16.7%	591.9
Gross Win ⁴	18.8	21.1	18.7	20.8	+8.9%	79.5
Gross Win Margin	13.1%	13.7%	13.4%	13.6%	-0.9pp	13.4%
Net Win ⁵	14.5	16.2	15.9	17.3	16.1%	63.3
Net Win Margin	10.1%	10.5%	11.4%	11.3%	-	10.7%

BlueBet’s momentum in Australia continued in Q4, as the business continues to gain market share and outperform the market. The business is well positioned to continue to capture market share with strong momentum heading into FY25 ahead of the betr merger.

Active Customers were up 7.7% to 70,456, with Turnover up 16.7% to \$153.6 million and Net Win up 16.1% to \$17.3 million, with a strong Net Win Margin of 11.3%.

² Unaudited and in Australian dollars unless otherwise stated

³ Turnover is the dollar amount wagered by customers before any winnings are paid out or losses incurred

⁴ 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

⁵ 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)

⁶ Customers that have placed a cash bet in the 12 months preceding the relevant period end date

As average Annual Customer value increased by 8.9% to \$898, ongoing marketing efficiencies and BlueBet's focus on profitability drove a 43.3% improvement in Cost per First Time Depositor (CFTD) to \$205, representing an attractive ratio of 4.4x.

US BUSINESS

The strength of BlueBet's proprietary technology platform continues to underpin the Company's expansion in the US and continued to be successfully deployed during Q4.

BlueBet has commenced a strategic review of its US operations post completion of the merger with betr to determine the best path forward. BlueBet's market-leading technology remains a key selling point for potential US B2B partners, and the Company continues to explore further partnership opportunities through stage two of the 'Capital-Lite' US market entry.

On 1 July, the Company announced its wholly owned subsidiary, BlueBet Indiana LLC, has terminated its market access agreement with Horseshow Hammond, LLL, a casino located in Hammond, Indiana, effective 30 June 2024.

BlueBet will keep the market informed of relevant developments.

CASH FLOW

- The Group's cash position has strengthened following the successful \$20.0 million placement to fund the betr customer migration and further growth opportunities
- The Australian business delivered its second consecutive operating cash flow positive quarter, reporting a cash inflow of \$1.8 million and the Group recorded an operating cash outflow of \$0.3 million for the half. The Group would have been operating cash flow neutral in H2 FY24, had it not accelerated platform enhancement activities ahead of betr customer migration.
- On 30 June 2024, the Company's cash balance was \$26.0 million, including customer deposits of \$5.0 million.
- Net Win from customers for Q4 FY24 totalled \$17.7 million, a record quarter.
- Net cash from operating activities for the Group in the quarter ended 30 June 2024 was an outflow \$1.5 million, which was split \$1.8 million generated from the Australian business (including corporate costs) and offset by \$3.3 million used in the US. The cash used in the US for Q4 was impacted by phasing of invoices from Q3 and not reflective of run rate.
- Cash outflows during the quarter included cost of sales of \$6.9 million, staff costs of \$3.6 million, marketing costs of \$2.9 million, and administration and corporate costs (including GST on Australian Net Win of \$5.0 million).
- Net cash used in investing activities in Q4 FY24 was \$0.8 million, largely resulting from capitalisation of technology costs.
- Net cash flows from financing activities were \$18.3 million after recording \$1.7 million in transaction and advisory costs
- Payments to related parties totalled \$0.3 million and relate to payments to Executive & Non-Executive Directors for salaries and wages (inclusive of superannuation and applicable taxes withheld) and director fees on normal commercial terms.

BLUEBET ANNOUNCES TRANSFORMATIONAL MERGER WITH BETR

Post quarter end, BlueBet announced the completion of the Company's merger with betr, creating a profitable, leading Australian online wagering company.

The realisation of cost synergies, expected to be \$14.0 million per annum, remains on track, with regulatory and compliance synergies being fully realised. Customer migration is also progressing as

planned and is expected to be completed before the Spring Racing Carnival. The migration will unlock additional cost synergies, simplify the business and provide the platform to monetise the large betr customer database.

The single brand strategy will be announced to customers mid-August and will be in place by the time customer migration is completed. It is expected that the significant customer experience uplift will drive increased engagement and deliver an improved experience for all customers.

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 (ASX:BBT) 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 highly scalable proprietary cloud-based technology platform that can also be delivered as a white-labelled technology solution for B2B partners. BlueBet's websites and apps have been developed using a mobile-first strategy, delivering a premium mobile user experience.

On 1 July 2024, BlueBet merged with leading Australian online wagering company, betr, creating a major player in the Australian online wagering market. The company has a world-class board led by prominent Australian wagering industry figures Michael Sullivan and Matthew Tripp, and a highly experienced management team.