



28 October 2021

ASX Announcement (ASX:BBT)

September Quarter (Q1 FY22) Quarterly Activities Report, Appendix 4C & Business Update

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 30 September 2021 (**Q1 FY22**).

BlueBet also provides an overview of its trading performance for Q1 FY22 (prior corresponding period being Q1 FY21 (**PCP**)).

HIGHLIGHTS

- Record quarter for Betcount, Turnover and Net Win.
- Q1 FY22 Turnover of \$125.9 million, up 67.4% relative to the PCP;
- Q1 FY22 Net Win of \$14.8 million, up 87.6% relative to the PCP;
- 39,195 Active Customers at period ending 30 September 2021, up 63.8% relative to the PCP;
- Just ahead of the Spring Racing Carnival, the Australian business launched its new brand campaign which was an adaptation of the successful “Bluu-ee” campaign of 2020;
- Post quarter end, the Australian business released its new website which provides several new features providing an enhanced customer experience. iOS and Android apps will be released in Q2 FY22;
- BlueBet’s licencing process in Iowa remains on track for taking first bets in March 2022 after our Advanced Deposit Sports Wagering Operator Agreement with Q Casino was approved by the Iowa Racing and Gaming Commission;
- Operating cashflow for Q1 FY22 was \$3.3 million with cash balance of \$57.8 million at 30 September 2021;
- BlueBet remains confident of achieving the remaining Prospectus Forecasts for 1H FY22.

BlueBet reported strong PCP growth across the following key metrics:

BlueBet Performance (A\$m) ¹						
Key Metrics	Q1 FY22	Q1 FY21	Change vs PCP	YTD FY22	YTD FY21	Change vs PCP
Turnover ²	125.9	75.2	+67.4%	125.9	75.2	+67.4%
Gross Win ³	18.1	9.6	+89.3%	18.1	9.6	+89.3%
Gross Win Margin	14.4%	12.7%	+1.7pp	14.4%	12.7%	+1.7pp
Net Win ⁴	14.8	7.9	+87.6%	14.8	7.9	+87.6%
Net Win Margin	11.8%	10.5%	+1.3pp	11.8%	10.5%	+1.3pp
No. Active Customers ⁵	39,195	23,927	+63.8%			
Key Metrics by Qtr	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Increase on PCP	YTD FY22
Turnover ²	125.9				+67.4%	125.9
Gross Win ³	18.1				+89.3%	18.1
Gross Win Margin	14.4%				+1.7pp	14.4%
Net Win ⁴	14.8				+87.6%	14.8
Net Win Margin	11.8%				+1.3pp	11.8%

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

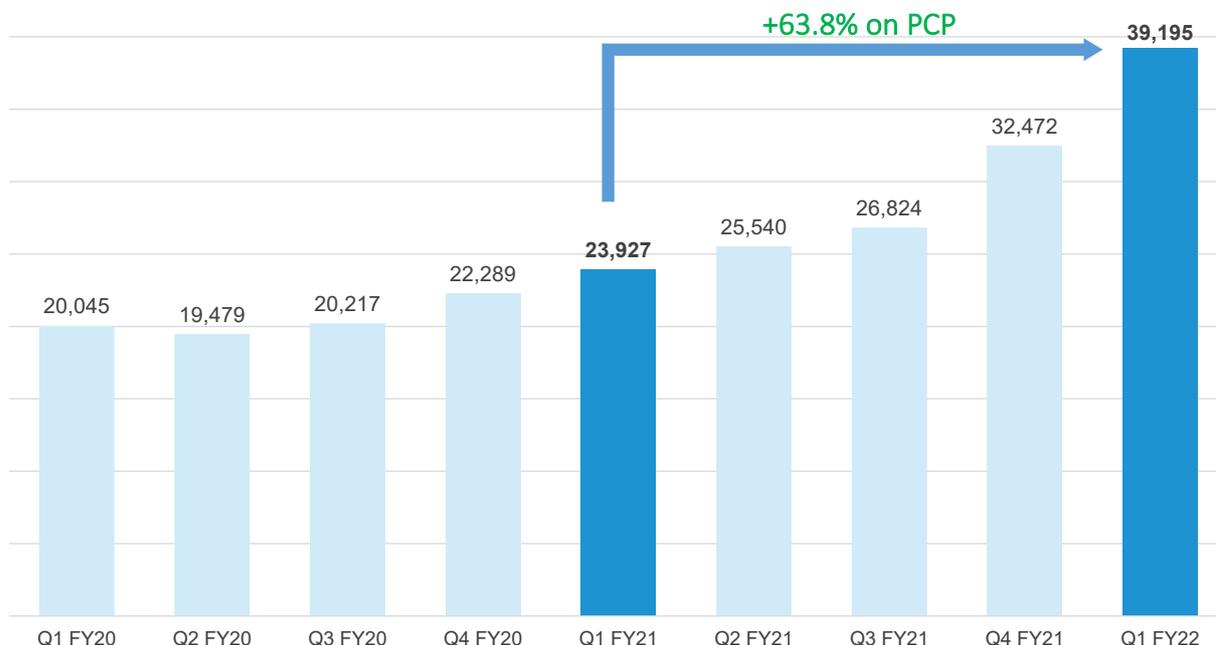
⁴ Net Win is the dollar amount received from customers who placed losing bets less the dollar amount paid to customers who placed winning bets, less customer promotional costs (the costs incurred to acquire and retain customers through bonus bets, money back offers, early payouts and enhanced pricing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

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

BlueBet continued its strong performance in Q1 FY22, ending the period with Turnover of \$125.9 million, up 67.4% relative to PCP and Net Win of \$14.8 million, up 87.6% relative to the PCP. Importantly this growth was profitable growth with Net Win Margin a healthy 11.8% for the Quarter, up 1.3pp relative to the PCP. BlueBet remains confident of meeting its Prospectus forecasts for 1H FY22, as the Company looks ahead to the seasonally strong December quarter

and the Spring Racing Carnival. In the September Quarter BlueBet has achieved 57.5% of the 1H FY22 Turnover Forecast, 60.2% of Betcount and 66.4% of the Net Win metric of the Forecast thus far.

ACTIVE CUSTOMER¹ GROWTH



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

As of 30 September 2021, BlueBet had 39,195 Active Customers, a 63.8% increase compared to the PCP.

ENTRY INTO THE US MARKET

BlueBet’s licencing process in Iowa remains on track after our Advanced Deposit Sports Wagering Operator Agreement with Q Casino was approved by the Iowa Racing and Gaming Commission.

The Company remains agile in its pursuit of further licences in addition to its current targets being Colorado, Tennessee and Maryland which were outlined at the time of the company’s IPO. There are also ten states where sports betting is legal but not yet operational and these are all being reviewed and assessed against BlueBet’s entry criteria including the timing of taking first bets post Quarter 3 FY22. Industry commentators see up to 40 states legalising sports betting by 2023 versus the current 21 states where it is live and operational. BlueBet sees considerable scope to complement its licence in Iowa.

During Q1 FY22, the Company’s wholly owned subsidiary BlueBet Arizona LLC (**BlueBet Arizona**) and its partner Colorado River Indian Tribes (**CRIT**), were advised by the Arizona Department of Gaming that it was unsuccessful in their application for one of the 10 licences to operate an online sportsbook in the State. Bluebet’s application was deemed to meet all the requirements, but a licence wasn’t awarded at this stage. BlueBet’s agreement with CRIT remains in place if further event wagering licences become available in the future.

Regarding the Company's application for a Sports Betting Permit in the US State of Virginia and on advice from the regulator, the Company withdrew its application with all application fees being refunded. During the process the BlueBet Board received advice from the regulator that licenses would, at this stage, be granted to operators which had experience in other states and have equity interest owned by Minority individuals or Minority-owned businesses. The Virginia Lottery formally notified the Company that BlueBet was not deemed ineligible for a permit and the withdrawal of our application will not prevent BlueBet from applying again in the future.

BlueBet remains interested in operating an online sportsbook in both Virginia and Arizona.

CASHFLOW

- At 30 September 2021, the Company's cash balance was \$57.8 million
- The Company has no corporate borrowings.
- Net Win from customers for the quarter ended 30 September 2021, totalled \$14.8 million
- Net cash from operating activities in the quarter ended 30 June 2021 was \$3.3 million.
- Cash outflows during the quarter included cost of sales of \$4.1 million, staff costs of \$1.5 million, marketing costs of \$2.6 million, income tax of \$0.6 million and administration, corporate costs, including GST on Australian Net Win of \$3.0 million
- Net cash used in investing activities in the quarter ending 30 September 2021 was \$0.4 million with most of this representing capitalisation of technology costs relating to website and mobile app development costs.
- Cash outflows from financing activities was \$1.2 million relating to final transaction costs of the IPO raise.
- Payments to related parties totalled \$0.4 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 the 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 30 September 2021 being the end of Q1 FY22.

Use of Funds 2 July 2021 to 30 Sep 2021	Allocated Amounts (\$m)	Utilised Amounts (\$m)	Commentary
Marketing Spend in Australia	10.0	1.7	In line with expectations
Establish US business and acquire initial licences	30.0	0.5	The Company withdrew its application for a Sports Betting Permit in Virginia and application fees were refunded.

Technology and platform development	4.7	0.4	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	38.0	

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.