



# H1 FY2022 RESULTS & INVESTOR PRESENTATION

February 2022



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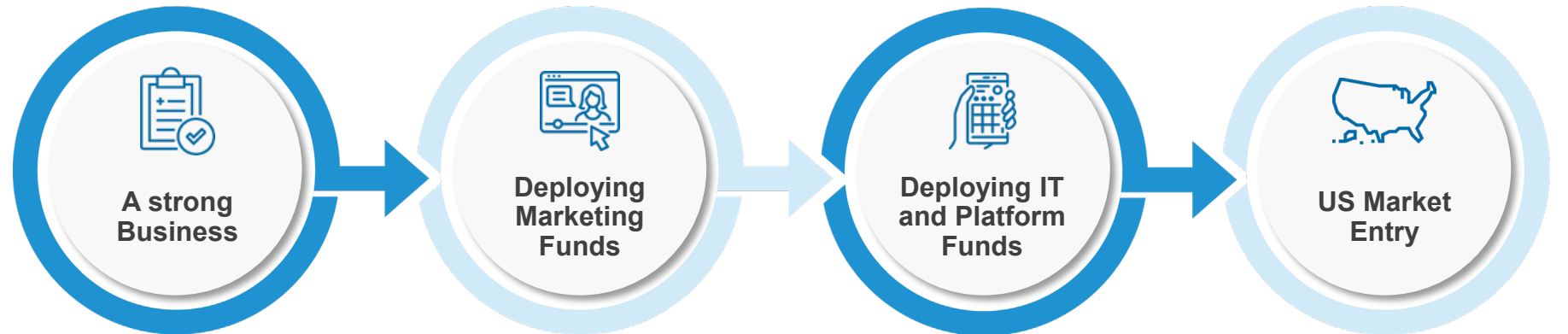
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## Authorisation

This presentation has been authorised for lodgement to the ASX by the BlueBet Board of Directors.

*In six months since listing on the ASX we have consistently delivered on our Prospectus commitments*



- ✓ Successful IPO
- ✓ Beat Prospectus forecast on all key operating metrics
- ✓ EBITDA \$0.5m and Net Cash outflows \$1.5m ahead of Prospectus forecast
- ✓ Key talent employed to support business growth
- ✓ Net Margins maintained >10% despite heavy competition

- ✓ Launched new advertising and marketing campaign
- ✓ Racing.com streaming & other product enhancements added to AUS platforms
- ✓ Active Customers increased by 39% from 30 June 2021 to 45,087
- ✓ Maintained a healthy 3.6x ratio of Annual customer value to Cost of Acquiring a First Time Depositor

- ✓ New AUS Website
- ✓ New iOS mobile App deployed
- ✓ New Android App deployed
- ✓ US Platform development on track

- ✓ Iowa market access
- ✓ US HQ established in Denver
- ✓ Colorado market access
- ✓ Key talent appointed
- ✓ Partnered with key tech vendors for US launch
- ✓ Ongoing negotiations for access to other states

**Beat Prospectus forecasts on all key metrics and delivered strong year on year growth**

**Australian business well positioned for continued growth in H2 driven by increased marketing investment; US market entry on track**



Strong top line growth, with Turnover up 60.5% to \$264.5 million and Net Win up 68.4% to \$28.6 million in the half with momentum continuing into Q3 FY22



EBITDA and net cash outflows ahead of Prospectus forecast as we deploy IPO funds to grow the business in a disciplined way



45,087 Active Customers<sup>1</sup> (up 76.5%)



Launched 3 new platforms for Australian business (website, iOS App, Android App) which will form the nucleus of the US Platforms to be released in H2 FY22



Building a winning team with strategic hiring across the business to support growth in Australia and establish a presence in the US



Executing Stage 1 of US Market Entry Strategy, with Iowa licence, US HQ established in Denver and platforms being optimised for US market



Post Half-Year end, agreement signed with Wild Card Casino enabling BlueBet to operate a new online sportsbook in Colorado<sup>2</sup>

1. All comparisons relate to the prior corresponding period (pcp) unless otherwise stated
2. Customers who have placed a cash bet in the 12 months preceding the relevant period.
3. Pending regulatory approval and licence

*Delivered strong growth across all key metrics in H1, carrying significant momentum heading into H2*



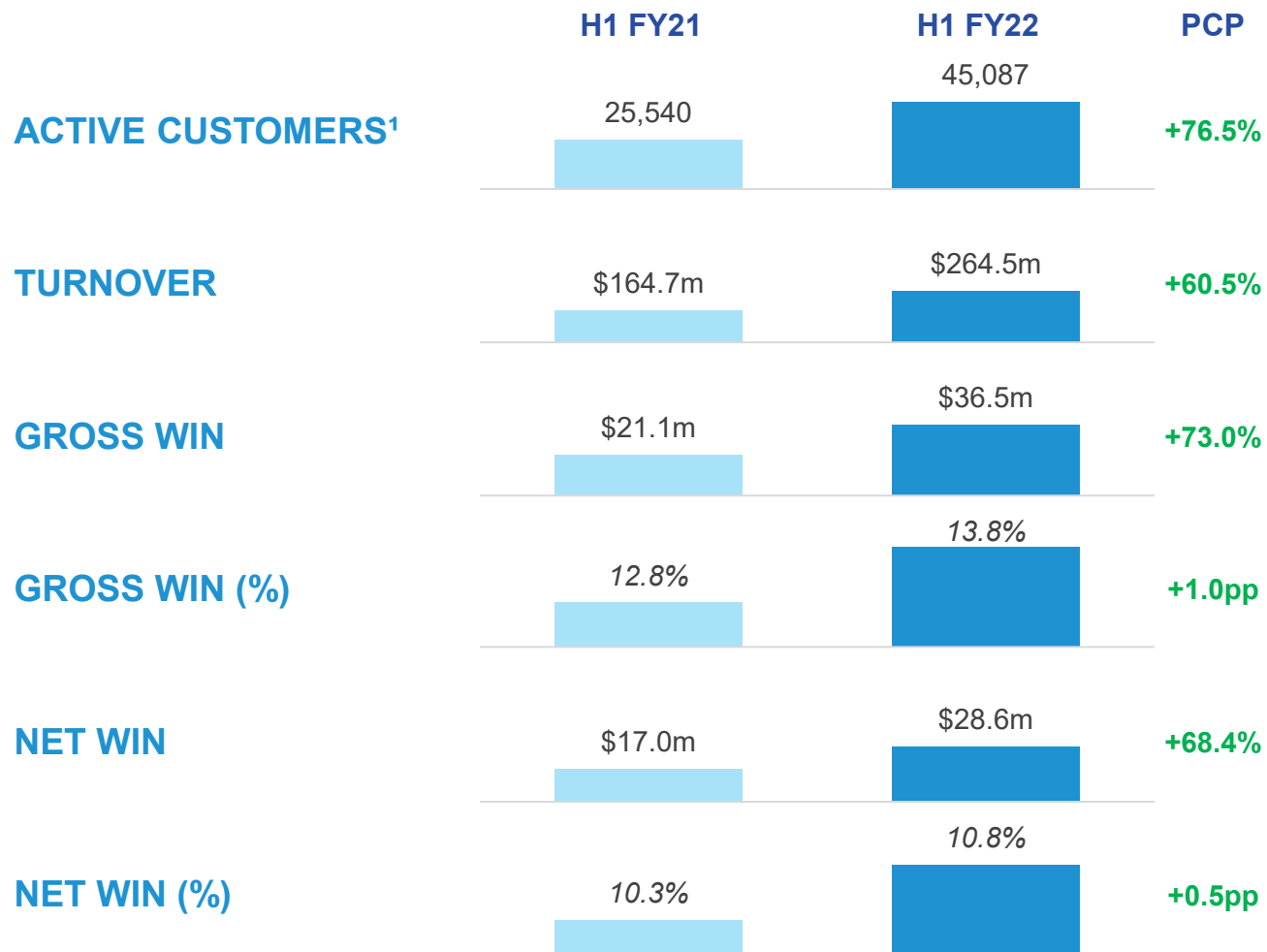
1. All comparisons relate to the prior corresponding period (pcp) unless otherwise stated  
 2. Customers who have placed a cash bet in the 12 months preceding the relevant period.

*Beat Prospectus  
forecasts for  
H1 FY22 across all  
key metrics*



1. All comparisons relate to H1 FY22 forecasts in the Prospectus dated 8 June 2021  
2. Customers who have placed a cash bet in the 12 months preceding the relevant period.

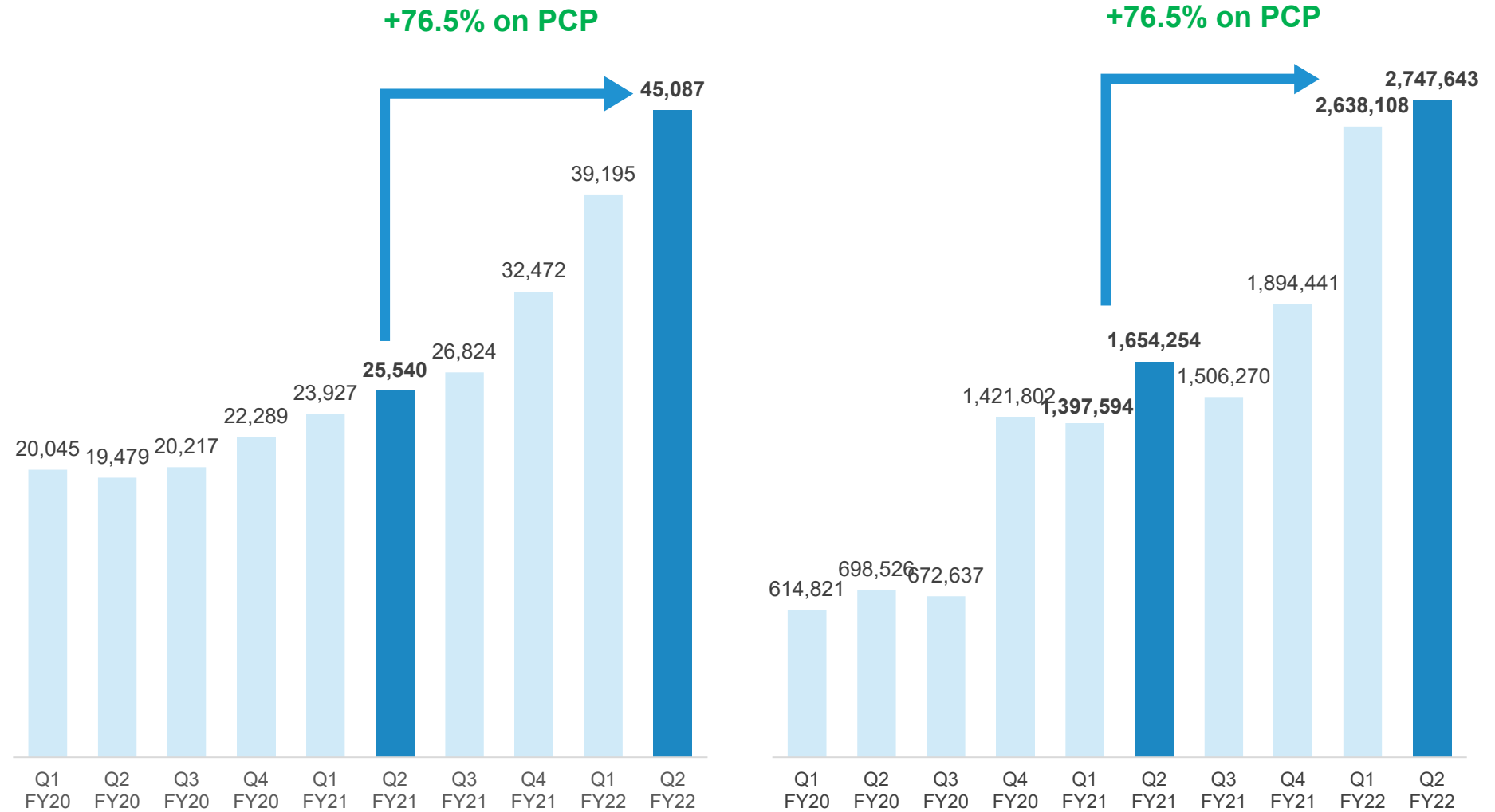




- **Net Win increased by 68.3% to \$28.6 million**, driven by:
  - **Turnover** increased by 60.5% to \$264.5 million, driven by a 224.1% increase in marketing & advertising expenditure as BlueBet deploys IPO funds towards growing Active Customers and Australian market share.
  - **Active Customers** increased by 76.5% to 45,087 as a result of accelerated marketing & advertising and **Bet Count** increased 76.5% to 5.4 million.
  - **Net Win Margin** increased by 0.5pp to 10.8% in H1 FY22. This is a pleasing outcome given the competitiveness of the market in the half, with BlueBet's disciplined approach to managing promotions and generosities expanding its already strong margins.

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

*Strong momentum in customer acquisition continues as increased marketing investment leads to a step change in bet count*



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



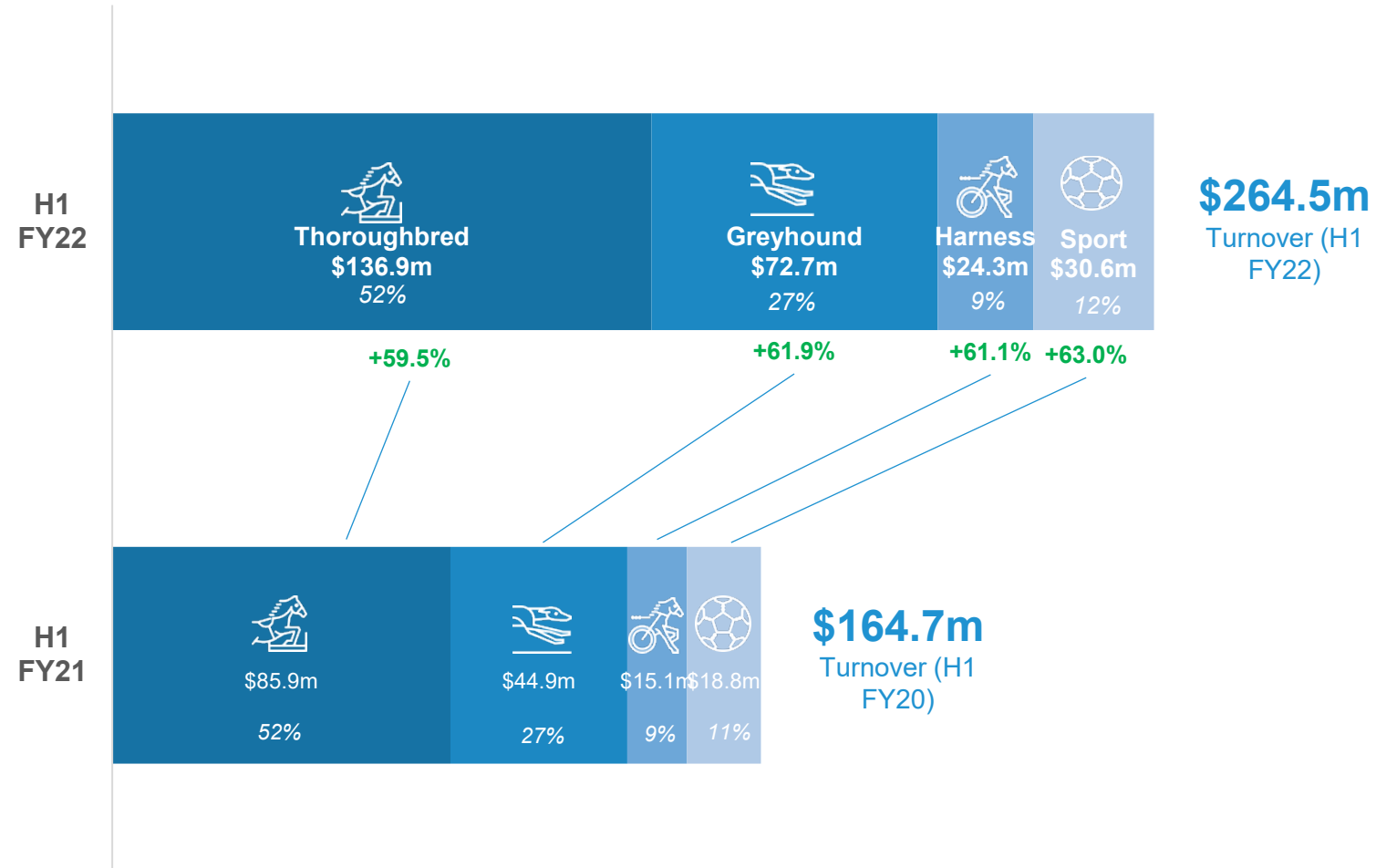


# AUSTRALIAN TRADING BUSINESS

**BlueBet STADIUM**

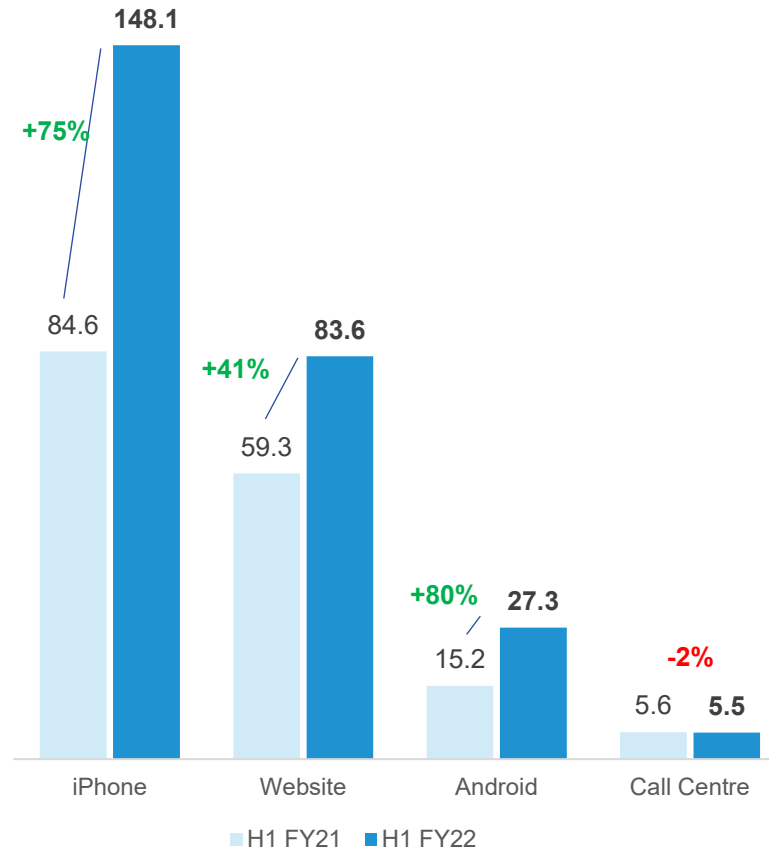
# H1 TURNOVER BY PRODUCT

*Strong growth across all product offerings*

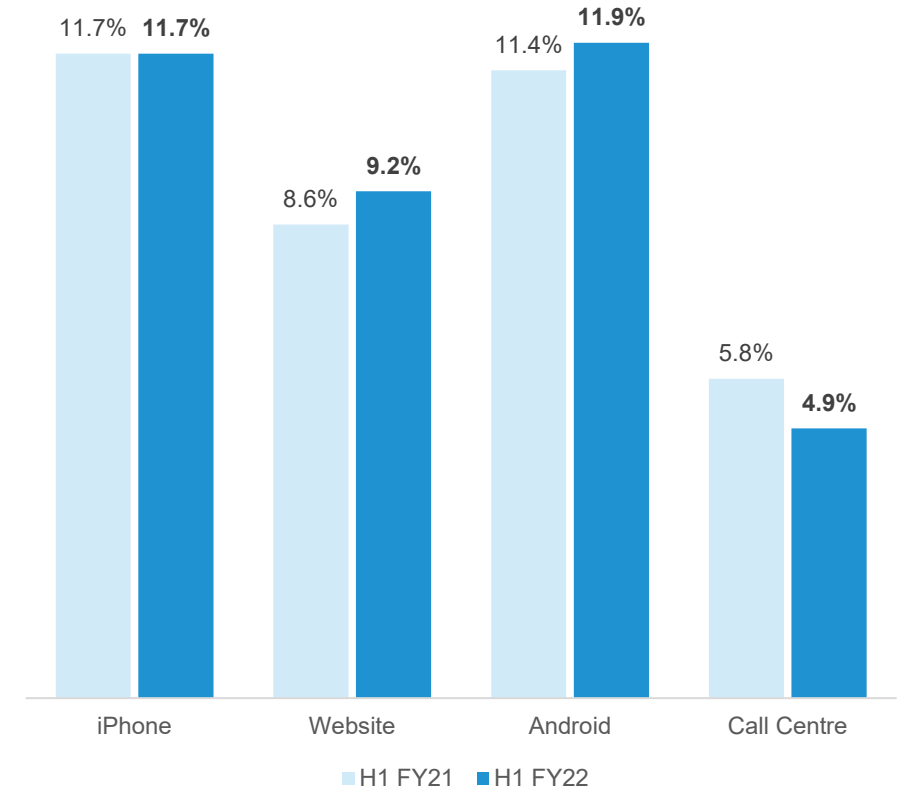


*66% of Turnover came from mobile apps in H1, the highest growth and highest margin channel*

Turnover (\$ million) by channel  
(H1 FY21 – H1 FY22)

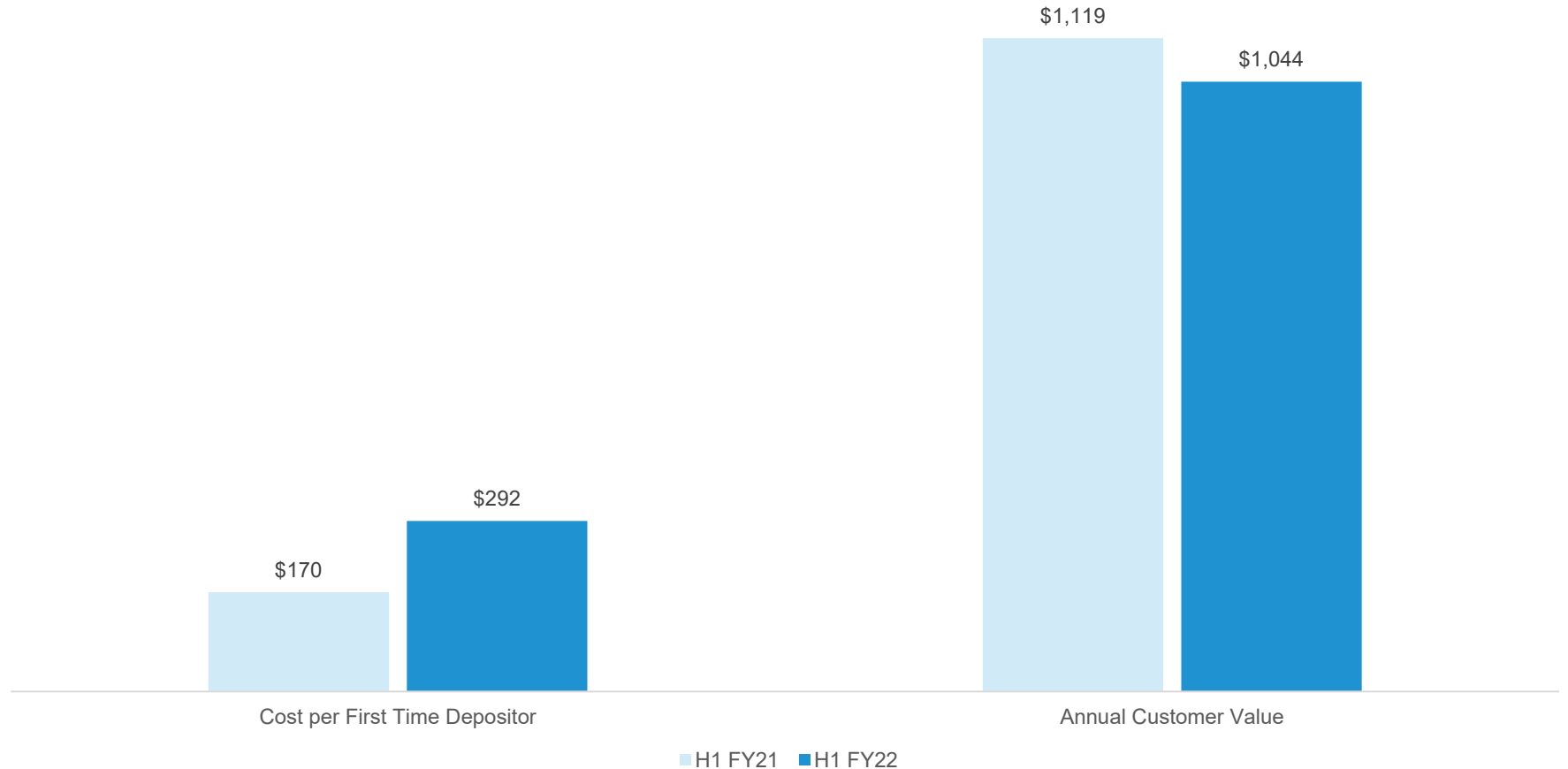


Net Win Margin % by channel  
(H1 FY21 – H1 FY22)



*Cost per First Time Depositor increased to \$292 in a competitive market, with BlueBet competing effectively with its digital strategy*

*Annual Customer Value to Cost to Acquire a First Time Depositor ratio was 3.6x, providing attractive returns on marketing investment*

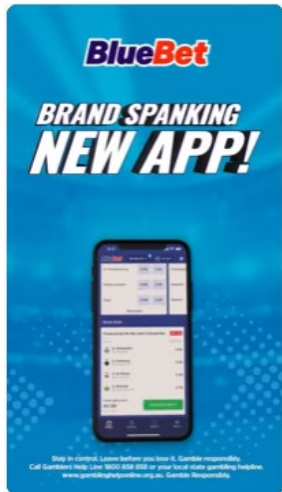


**Notes**

1. Cost per First Time Depositor (CFTD) is defined as the cost of acquiring a Registered Customer that has deposited money into their account for the 12 months ending 31 December 2021.
2. Annual Customer Value is defined as Net Win divided by Active Customers for the 12 months ending 31 December 2021



*BlueBet brand positioned as the 'true blue bookie' of choice through its 'Aussie Way' TVC campaign, recently complemented with the 'Aussies love to multi' campaign to promote high margin multi products*





# FINANCIALS

*Wagering revenue growth of 68.4% as the team executed our strategy of customer acquisition, retention & taking market share*

*EBITDA \$460k ahead of H1 FY22 Prospectus forecast*

\$000'S	H1 FY22	H1 FY21
<b>Turnover</b>	<b>240,441</b>	<b>149,785</b>
Payouts	(207,292)	(130,609)
<b>Gross Revenue</b>	<b>33,149</b>	<b>19,176</b>
Promotions given	(7,146)	(3,733)
<b>Wagering Revenue<sup>1</sup></b>	<b>26,003</b>	<b>15,443</b>
Cost of Sales	(11,372)	(6,522)
<b>Gross Profit</b>	<b>14,631</b>	<b>8,921</b>
Employee benefits expense	(5,021)	(1,345)
Advertising and marketing expense	(6,802)	(2,099)
Licencing, platform and subscriptions	(1,429)	(297)
IT expense	(165)	(194)
Administration expense	(699)	(159)
Other expenses	(830)	(163)
<b>EBITDA</b>	<b>(315)</b>	<b>4,664</b>
Depreciation and amortisation expense	(251)	(69)
Interest Received	164	-
Finance costs	(39)	(30)
<b>Profit before income tax expense</b>	<b>(441)</b>	<b>4,565</b>
Income tax expense	(334)	(1,193)
<b>Profit/(loss) after income tax</b>	<b>(775)</b>	<b>3,372</b>
Foreign Currency Translation	14	-
<b>Total comprehensive (loss) / income</b>	<b>(761)</b>	<b>3,372</b>

<sup>1</sup>Wagering Revenue is also referenced as Net Revenue and is equal to Net Win less GST



*BlueBet's Australian business has continued to scale, supporting significant investment in advertising & marketing, increase infrastructure and headcount to support future growth while investing in US expansion*

<b>Statutory EBITDA H1 FY21</b>	<b>4,664</b>
Listed public company costs	(200)
Director and key employee costs	(295)
<b>Proforma H1 FY21 EBITDA (per prospectus)</b>	<b>4,169</b>
<b>Key H1 FY22 movements</b>	
Gross Profit	5,710
Employee expenses	(2,386)
Employee share base expense	(1,290)
Advertising and marketing	(4,703)
NT Licence	(620)
Other	(484)
Rent	(100)
US expenses	(611)
<b>Statutory EBITDA H1 FY22</b>	<b>(315)</b>

- Gross profit increased 64.0% driven by 60.5% increase in Turnover and 0.5pp increase in Net Margin %
- Inclusive of contractors, headcount has increased by 33 FTEs over the period, largely across marketing & IT (platform development) and establishment of NT office
- The increase in advertising & marketing grew Active Customers by 76.5% and with a 3.6x return in Annual Customer value will provide momentum into H2
- US expenses of \$611k relate mainly to legal, regulatory and other set up costs



# BALANCE SHEET

*Business in a strong position following successful IPO capital raise to execute dual-growth strategy of increasing share in Australia and entering the US market with a “capital lite” approach*

\$000'S	31 DEC 2021	30 JUN 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	55,382	56,104
Trade and other receivables	73	188
Other assets	982	570
<b>Total current assets</b>	<b>56,437</b>	<b>56,862</b>
<b>Non-current assets</b>		
Property, plant and equipment	479	412
Right-of-use assets	1,267	946
Intangibles	2,319	428
Deferred tax asset	532	746
Other assets	94	94
<b>Total non-current assets</b>	<b>4,691</b>	<b>2,626</b>
<b>Total assets</b>	<b>61,128</b>	<b>59,488</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	5,598	5,663
Borrowings	57	35
Lease liabilities	317	211
Derivative financial instruments	61	
Income tax payable	1,046	1,155
Employee benefits	226	146
Provisions	375	
Client deposits on hand	2,962	2,605
<b>Total current liabilities</b>	<b>10,642</b>	<b>9,815</b>
<b>Non-current liabilities</b>		
Borrowings	71	111
Lease liabilities	968	737
Employee benefits	308	215
<b>Total non-current liabilities</b>	<b>1,347</b>	<b>1,063</b>
<b>Total liabilities</b>	<b>11,989</b>	<b>10,878</b>
<b>Net assets/(liabilities)</b>	<b>49,139</b>	<b>48,610</b>
<b>Equity</b>		
Issued capital	47,806	47,806
Reserves	1,838	534
Retained profits/(accumulated losses)	(505)	270
<b>Total equity/(deficiency)</b>	<b>49,139</b>	<b>48,610</b>

# SUMMARY OF CASH FLOWS

*Strong operating cash flows which included a step change increase in marketing expense demonstrating the focused and disciplined execution of our strategy*

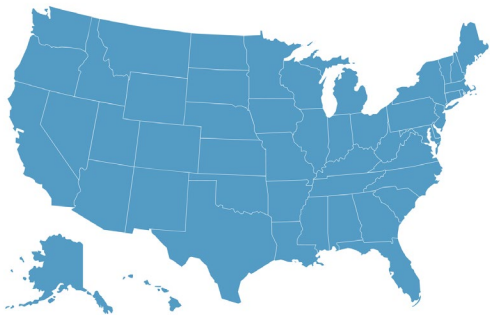
*Net Cash from Operating Activities of \$2.5m was \$3.3m ahead of Prospectus forecast driven by the strong performance of the Australian business*

\$000'S	31 DEC 2021	31 DEC 2020
<b>Cash flows from operating activities</b>		
Receipts from customers (Client deposits)	65,406	39,960
Payments to customers (Client withdrawals)	(36,717)	(22,353)
Payments to suppliers and employees (inclusive of GST)	(25,485)	(11,955)
	<b>3,204</b>	<b>5,652</b>
Interest received	164	
Interest and other finance costs paid	(39)	(30)
Income taxes paid	(800)	(550)
<b>Net cash from operating activities</b>	<b>2,529</b>	<b>5,072</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(76)	(61)
Payments for intangibles	(1,722)	-
<b>Net cash used in investing activities</b>	<b>(1,798)</b>	<b>(61)</b>
<b>Cash flows from financing activities</b>		
Share issue transaction costs	(1,209)	-
Repayment of leases	(226)	(47)
Repayment of chattel mortgage	(18)	(17)
Dividends paid		(1,225)
<b>Net cash from/(used in) financing activities</b>	<b>(1,453)</b>	<b>(1,289)</b>
Net increase / (decrease) in cash and cash equivalents	(722)	3,722
Cash and cash equivalents at the beginning of the financial year	56,104	4,742
<b>Cash and cash equivalents at the end of the financial year</b>	<b>55,382</b>	<b>8,464</b>

The background of the slide is a high-contrast, black and white photograph of an American football player. The player is shown from the waist down, wearing a dark jersey and pants. They are holding a white football helmet with both hands in front of them. The background is a blurred stadium filled with spectators, creating a bokeh effect.

# US MARKET ENTRY

*Recent trends in the US reinforce our confidence in our “capital lite” market entry strategy will provide the biggest value for shareholders*



Targeting up to five priority US States for initial market entry as straight B2C wagering provider, establishing an initial footprint



Prove the capability of the BlueBet team and product offering in the US market



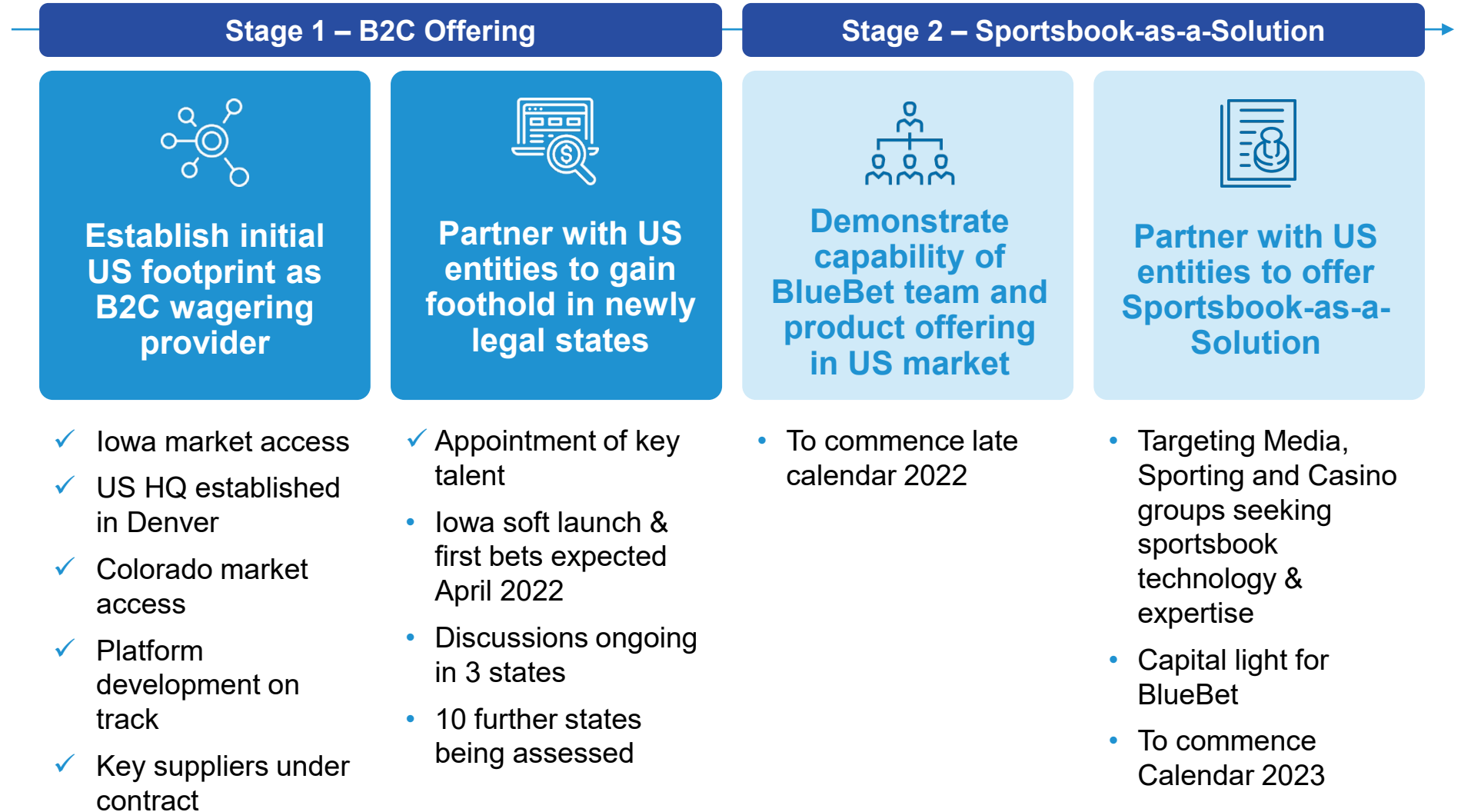
Target key local partnerships with US entities to establish joint ventures (or other commercial arrangements) in major states endeavouring to come online



Partner with US entities to offer Sportsbook-as-a-Solution to reduce capital required and risk in major States



*US market entry strategy unchanged with progress made in our disciplined Stage 1 B2C offering ahead of progressing the “capital lite” Stage 2 Sportsbook-as-a-Solution*



*BlueBet's B2C entry criteria for market access focuses on the following to ensure there is a clear path to profitability*

- *Population size*
- *Licence cost*
- *Taxation rate*
- *Competitive landscape*

	IOWA	COLORADO	INDIANA	LOUISIANA	TENNESSEE	MISSOURI
	Market Access Secured		Under Consideration			
Population	3.2m	5.9m	6.8m	4.6m	6.9m	6.1m
Market status	<ul style="list-style-type: none"> <li>• First mobile launch Aug 2019</li> <li>• Currently 18 mobile apps live</li> </ul>	<ul style="list-style-type: none"> <li>• First mobile launch May 2020</li> <li>• Currently 26 mobile apps live</li> </ul>	<ul style="list-style-type: none"> <li>• First mobile launch Oct 2019</li> <li>• Currently 12 mobile apps live</li> </ul>	<ul style="list-style-type: none"> <li>• First mobile launch Jan 2022</li> <li>• Currently 7 mobile apps live</li> </ul>	<ul style="list-style-type: none"> <li>• First mobile launch Nov 2020</li> <li>• Currently 8 mobile apps live (9 licences issued)</li> </ul>	<ul style="list-style-type: none"> <li>• Bills progressing through 2022 legislative session</li> </ul>
Online	✓	✓	✓	✓	✓	To be approved
December 2021 Turnover	US\$266.5m	US\$461.4m	US\$463.0m	n/a	US\$341.8m	n/a
Licence cost p.a.	US\$45k	US\$75k	US\$100k application US\$50k	US\$100k application US\$250k (5 years)	US\$750k	US\$100k application US\$50k (every 2 years)
Taxation rate	6.75% of revenue	10% of revenue	9.5% of revenue	15% of revenue	20% of revenue	10% of revenue
Status	Skin secured, progressing licencing	Skin secured, progressing licencing	In discussions with existing skin holder	In discussions with existing skin holder	No skin required, assessing timing of application	In discussions with existing skin holder



*Key relationships established with US technology vendors which are being incorporated into the new US platforms*



# OUTLOOK



Momentum to continue into H2 as we aggressively increase market share and deliver customer and revenue growth



Responsibly deploy IPO Capital with targeted increased marketing and advertising spend whilst remaining focused on our mobile first strategy



Leverage the recent release of our new platforms and enhance customer experience with new enhancements and innovations

## AUSTRALIA







Remain agile and responsibly deploy IPO Capital as we execute Stage 1 (B2C) market entry ahead of pursuing the “capital lite” Stage 2 (Sportsbook-as-a-solution) opportunity



Expand market access to have 3-5 markets licenced and operational in calendar 2022

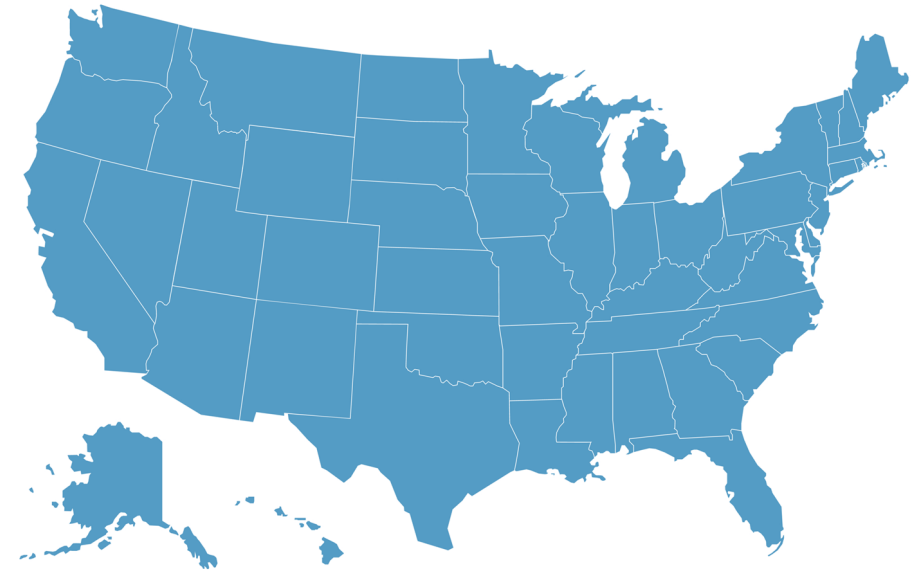


Invest in our new US brand ahead of Iowa launch and ensure our platforms deliver a great customer experience



Appoint key talent, establish infrastructure and develop key partnerships

## NORTH AMERICA



**QUESTIONS?**



**BlueBet**