



30 August 2022

ASX Announcement (ASX:BBT)

BlueBet Holdings Limited - Appendix 4E and Annual Report

BlueBet Holdings Limited (ASX: BBT) provides the attached 2022 Appendix 4E and Annual Report to shareholders.

This announcement has been approved for release by the Chairman of the Board of Directors.

--END--

1. Company details

Name of entity:	BlueBet Holdings Ltd
ABN:	19 647 124 641
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	up	54.1%	to	49,853
Loss from ordinary activities after tax attributable to the owners of BlueBet Holdings Ltd	down	303.8%	to	(6,071)
Loss for the year attributable to the owners of BlueBet Holdings Ltd	down	303.8%	to	(6,071)

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 \$6,071,000 (30 June 2021: profit of \$2,979,000).

For further details refer to the Annual Report and Directors' Report that follows this Appendix 4E.

The earnings before interest, tax, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by the Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for specific items. The directors consider EBITDA to be one of the core earnings measures of the consolidated entity.

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

	Consolidated 2022 \$'000	2021 \$'000
(Loss)/profit after income tax	(6,071)	2,979
Add: Interest expense	55	76
Add: Depreciation and amortisation	766	147
Add: Income tax	(234)	1,533
EBITDA	<u>(5,484)</u>	<u>4,735</u>

3. Net tangible assets

	Consolidated	
	2022	2021
	\$'000	\$'000
Net assets	45,366	48,610
Less: Intangible assets	(5,820)	(428)
Net tangible assets	<u>39,546</u>	<u>48,182</u>
Number of ordinary shares on issue	200,109,649	200,109,649
	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>20.57</u>	<u>24.08</u>

If the right-of-use assets are included, the net tangible asset value per share is 20.60 cents (2021: 24.08 cents).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

The dividend declared during the previous financial year was declared and paid by BlueBet Pty Ltd as a single entity, prior to the restructure and prior to the Group being listed on the Australian stock exchange. The newly formed parent entity, BlueBet Holdings Limited has not declared or paid any dividends.

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:

All entities including 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 have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of BlueBet Holdings Ltd for the year ended 30 June 2022 is attached.

12. Signed

Signed



Michael Sullivan
Executive Chairman
Sydney

Date: 30 August 2022



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ANNUAL REPORT

30 June 2022

BlueBet Holdings Ltd
ABN 19 647 124 641



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15

33

40

25

250

660

1000

500

33

40

660

660

1000

12

14

11/2

660

330

1000

CAULFIELD CUP

The Caulfield Cup was first run in 1876. It was run at Flemington Racecourse in 1941, 1942 and 1943 due to Caulfield Racecourse being closed and used as an army camp during World War II. Champion trainer Bert Cummings has dominated the Caulfield Cup for the past 30 years. Calvee gave the 'Cups King' his first win in the event in 1986 and he has since won the race on a further five occasions. The late Tommy Smith, father of top Sydney trainer Glen Sharpehouse, won the Caulfield Cup four times. Sheila Laxton won with Lohness (2001) made her only the second female trainer to prepare the winner of the race, following the earlier win of Lady Mervin with Tactix's Melody (1996).



BlueBet
TRUE BLUE BETTING

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CORPORATE DIRECTORY

Directors	Michael Sullivan Executive Chairman Bill Richmond Director and Chief Executive Officer Tim Worner Non-Executive Director David Fleming Non-Executive Director Nigel Payne Non-Executive Director
Company secretary	Laura Newell
Address	Level 12, 225 George Street Sydney NSW 2000
Notice of annual general meeting	The annual general meeting of BlueBet Holdings Ltd will be held on or about 24 November 2022. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after despatch. In accordance with the ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEST) 22 September 2022.
Registered office	BlueBet Holdings Ltd Level 9, 8 Spring Street Sydney, NSW 2000
Share register	Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney, NSW 2001
Auditor	Ernst & Young 200 George Street Sydney, NSW 2000
Solicitor	Gilbert + Tobin Level 35, Tower 2 200 Barangaroo Avenue Barangaroo, NSW 2000
Stock exchange listing	BlueBet Holdings Ltd shares are listed on the Australian Securities Exchange (ASX code: BBT)
Website	www.bluebet.com.au
Business objectives	In accordance with Listing Rule 4.10.19 the company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX since its admission to the end of the reporting period in a way that is consistent with its business objectives.
Corporate governance statement	BlueBet Holdings Ltd and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. BlueBet Holdings Ltd has reviewed its corporate governance practices against the Corporate Governance Corporate Governance Council. Principles and Recommendations (4th Edition) published by the ASX. Details of the corporate governance report is available on the company website at www.bluebetplc.com/corporate-governance

LETTER FROM THE CHAIR

Dear fellow shareholder,

On behalf of the BlueBet Board of Directors, I am pleased to present the Company's Annual Report for FY22, our first full year as a listed business and, pleasingly, now having established a presence in the US sports betting market.

Having spent my entire adult life in professional wagering and building profitable sportsbooks, I couldn't be more excited for the journey that BlueBet has embarked upon. I can say with confidence that having delivered our key Prospectus forecasts, continued to take market share in Australia and now executing our 'Capital Lite' US market entry, we are doing exactly what we said we would do.

The strategic and operational progress made in FY22 by our team under the leadership of our CEO Bill Richmond sets a strong platform for long-term growth. BlueBet has a well-defined dual growth strategy that is based on winning domestic market share and entering the rapidly opening US market in a disciplined way.

FY22 saw continued strong growth in our Australian business, with the business also delivering positive operating cash flow that gave us additional firepower to invest for growth alongside the funds raised in the IPO. To accelerate our growth in FY22, we stepped up our marketing investment by 190%, building our differentiated brand and further developing the growing affinity punters have with BlueBet. We also increased our investment in technology to ensure we can deliver an exceptional experience for our customers.

In 2015, we launched BlueBet as a challenger to the large market incumbents, as a 'mobile-first' sports betting brand for parochial, savvy Australian bettors. I'm proud that without slowing our ambitions in Australia we've managed to deliver a product that resonates with punters and one that has enabled us to strategically grow and take our expertise and capabilities to exciting emerging markets.

Reflecting on our challenger roots, it gives me enormous pride to see the early success of our team's differentiated approach in entering the US this year. In a year of many highlights for BlueBet, launching our US headquarters in Denver, Colorado, and securing market access in four US states stands out.

From a strategic and operational perspective, the signing of market access agreements in Iowa, Colorado, Louisiana and Indiana sets a strong platform for us to execute the first stage of our 'Capital Lite' US entry strategy under our ClutchBet US B2C brand.

Market access in these four states gives BlueBet access to a combined population of over 20 million people, with a clear path to profitability given the attractive licencing fees, taxation rates, market size and media costs.

Collectively, these agreements validate the capability of BlueBet's technology and team and the viability of our differentiated offer in the US.

The US market continues to open up rapidly, with 17 states having full legalised online mobile sports wagering. It is expected that 96% of the US population will have legal access to online sports betting by 2025. With four initial markets now secured, the team's focus is now on becoming operational in each state while securing partners for the second stage of our US entry strategy, our white-labelled Sportsbook-as-a-Solution offer, which will progress in FY23.



Reflecting on our challenger roots, it gives me enormous pride to see the early success of our team's differentiated approach in entering the US this year...and securing market access in four US states stands out.

This is an exciting growth opportunity, enabling partners to benefit from BlueBet's market-leading technology and expertise running successful sportsbooks.

Having taken first bets in Iowa in August 2022 after being licenced by the Iowa Racing and Gaming Commission and having our technology platform certified by Gaming Laboratories International (GLI), we are looking forward to taking first bets in each of our US markets in the months ahead.

We will continue to invest in our technology and our profitable Australian business, which is a real advantage for BlueBet. To deliver growth and continue to take market share, we will continue to invest in our brand. Our recently launched advertising and marketing campaign drove Active Customers to increase by 64.2%.

We know that in order to keep attracting bettors in Australia and in the US we must continue to invest in our technology to provide a seamless user experience. In FY22, we launched a new Australian Website, iOS and Android app. In the US, we are partnering with leading technology vendors and experts to ensure our product is fit for purpose.

It would be remiss of me not to mention that our success this financial year has been achieved through significant challenges presented by COVID-19. The team has done an exceptional job to keep their eye on the ball and continue to deliver the strategy in challenging conditions.

Looking ahead, as we move further into an uncertain macroeconomic environment, we expect our business to remain resilient and to continue to deliver growth and take market share. Having been in this game for almost five decades, I have been through several of these cycles and I am confident in the robustness of the market in Australia and abroad.

In closing, I would like to thank our management team and the wider BlueBet team for their hard work this year. Together, they executed the strategy while delivering strong financial and operational results. I am very excited about the possibilities for next year and beyond.

Thanks also to you, our shareholders, for your continued support. I look forward to updating you further at our Annual General Meeting in November.

Kind regards,



Michael Sullivan

Executive Chairman

BlueBet Holdings Ltd

BlueBet

DIRECTORS' REPORT

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DIRECTORS' REPORT

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 year ended 30 June 2022.

DIRECTORS

The following persons were directors of BlueBet Holdings Ltd during the whole of the financial 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 Group 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

Dividends paid during the financial year were as follows:

	CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
Dividend for the year ending 30 June 2021	-	2,564

REVIEW OF OPERATIONS

The loss for the Group after providing for income tax amounted to \$6,071,000 (30 June 2021: profit of \$2,979,000).

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 2022 \$'000	CONSOLIDATED 2021 \$'000
(Loss)/profit after income tax	(6,071)	2,979
Add: Interest expense	55	76
Add: Depreciation and amortisation	766	147
Add: Income tax	(234)	1,533
EBITDA	(5,484)	4,735

REVIEW OF OPERATIONS FOR THE FULL YEAR TO 30 JUNE 2022

It has been a transformative year for the Company in its first year as a listed entity, following a successful \$80 million Initial Public Offering (IPO) on the Australian Securities Exchange (ASX:BBT) on 2 July 2021. The Company enters FY23 having delivered strong growth in the Australian business, deployed new technology platforms and with the US business well positioned to execute on its B2C market entry, having secured four market access agreements during the year.

The Australian business delivered another strong result across all key metrics, exceeding key CY22 Prospectus forecasts and delivering positive Operating Cash Flow. BlueBet took over 10.6 million bets in the year, finishing with Turnover of \$511.9 million, up 48.5% on the prior year. Pleasingly, Net Win growth outpaced Turnover growth, increasing by 53.5% to \$54.6 million with the Net Win margin expanding by 0.4 percentage points to 10.7%

An EBITDA loss of \$5.5 million was in line with expectations, having invested IPO funds towards Australian marketing, set up costs for the US as well as non cash employee expenses relating to share base payments as outlined in the Prospectus.

A Net Loss After Tax of \$6.1 million was in line with the year-on-year EBITDA movement.

EARNINGS SUMMARY

A \$ MILLION	FY22	FY21	CHANGE %
Turnover	511.9	344.7	▲ 48.5%
Wagering Revenue	49.7	35.6	▲ 53.5%
EBITDA	(5.5)	7.5	▼ 215.8%
(Loss) / Profit after Income Tax	(6.1)	3.0	▼ 303.8%

KEY HIGHLIGHTS

Key highlights for the Reporting Period are set out below:

Group Highlights

- Successful ASX listing on 2 July 2021 with the proceeds of the raise largely intact at the end of FY22 following cash generation from the Australian business, positioning the Company for further market share gains in Australia and well funded to execute its two stage "Capital Lite" US market entry.
- Exceeded Prospectus forecast for CY22 for all key metrics.
- Launched 3 new platforms for the Australian business (website, iOS App, Android App) which form the nucleus of the US Platforms which received certification from Gaming Laboratories International (GLI) post period end in August 2022.
- Continued strategic hiring of key talent across the business to support growth in Australia and key senior leadership talent hired in the US.

Strong Performance Metrics

- BlueBet recorded a 64.2% increase in Active Customers for the 12 months to 30 June 2022 to 53,328, up from 32,472 for the 12 months to 30 June 2021.
- Net Win of \$54.6 million in the period, represents a 53.5% increase on the prior year.
- Net Win Margin of 10.7%, up from 10.3% in FY21, highlighting the Company's disciplined approach to managing promotions as well as the capability of its trading teams.
- Average Annual Customer value of \$1,025 and \$386 Cost per First Time Depositor delivering an attractive ratio of 2.7x, demonstrating BlueBet's high return on its marketing investment. This generated immediate returns on the IPO funds deployed towards marketing.

Brand & Marketing

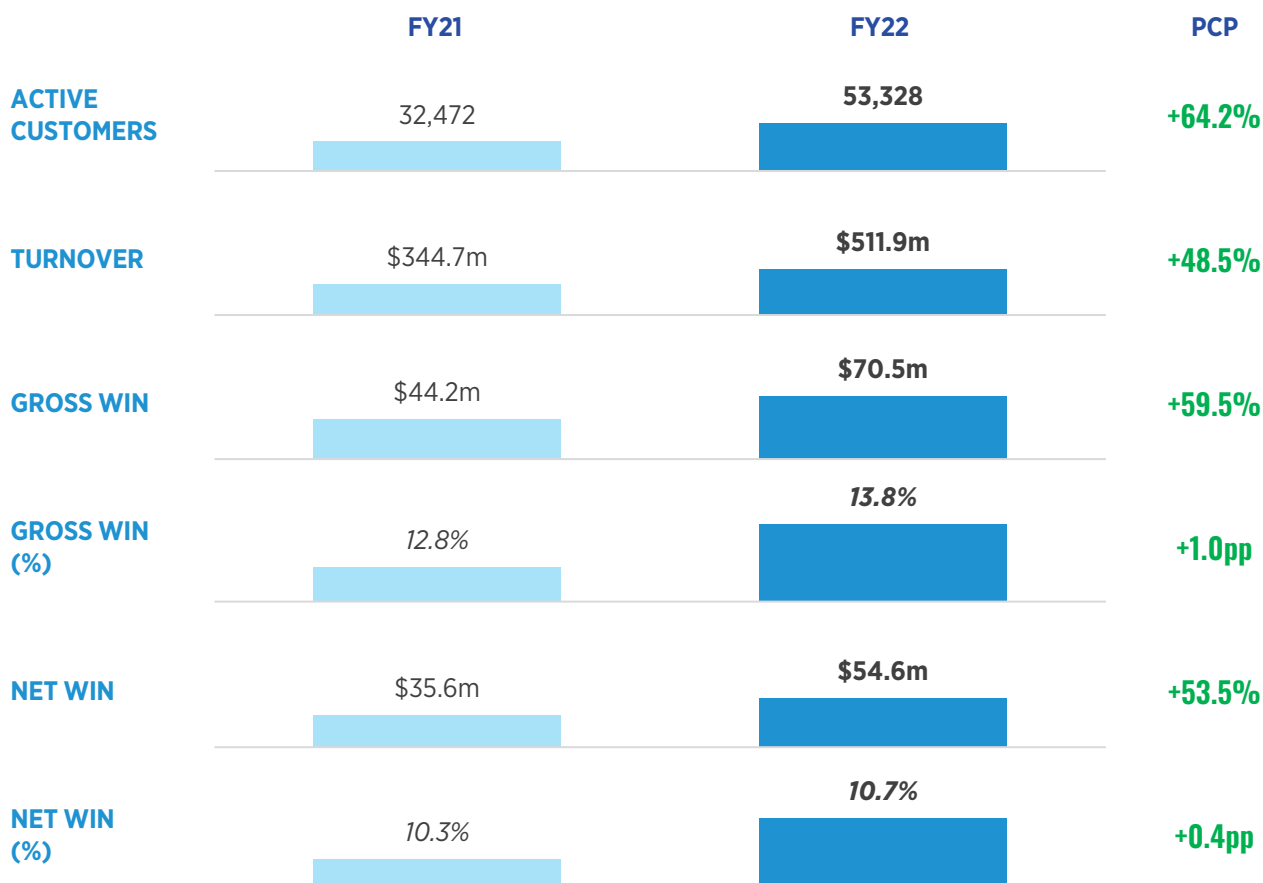
- BlueBet launched its second major brand campaign to coincide with the spring racing carnival and NRL/AFL finals. This campaign was an adaptation of the successful “Bluu-ee” campaign of 2020 and was supported television commercials predominately aired on regional and subscription TV aimed at promoting high margin multi products.
- Extended the agreement for naming rights to BlueBet Stadium as part of its association with the Penrith Panthers Rugby League Team.
- Signed a partnership agreement with the NRL’s newest franchise, the Queensland-based Dolphins where the BlueBet logo will appear on the back of the jersey.

North America Market Entry

- Signed a market access agreement with Dubuque Racing Association, operator of Q Casino that enables BlueBet to operate a new online sportsbook in Iowa.
- Signed a market access agreement with The Wild Card Saloon & Casino, enabling BlueBet to operate a new online sportsbook in Colorado.
- Signed a market access agreement with Rubico Acquisition Corporation, operator of Louisiana Downs, enabling BlueBet to operate a new online sportsbook in Louisiana.
- Signed a market access agreement with Caesars Entertainment, enabling BlueBet to operate a new online sportsbook in Indiana.
- Key talent hired including senior leadership, with BlueBet’s US Headquarters established in Denver, Colorado.
- ClutchBet announced as the brand to spearhead BlueBet’s US B2C market entry.
- Post period end, GLI certified BlueBet’s technology platform which is a precursor to gaining licencing in each of the four initial US states. Subsequently, BlueBet received a licence from the Iowa Racing and Gaming Commission and took its first US bets in Iowa in August 2022.

KEY PERFORMANCE INDICATORS

BlueBet reported strong growth across the following key metrics:

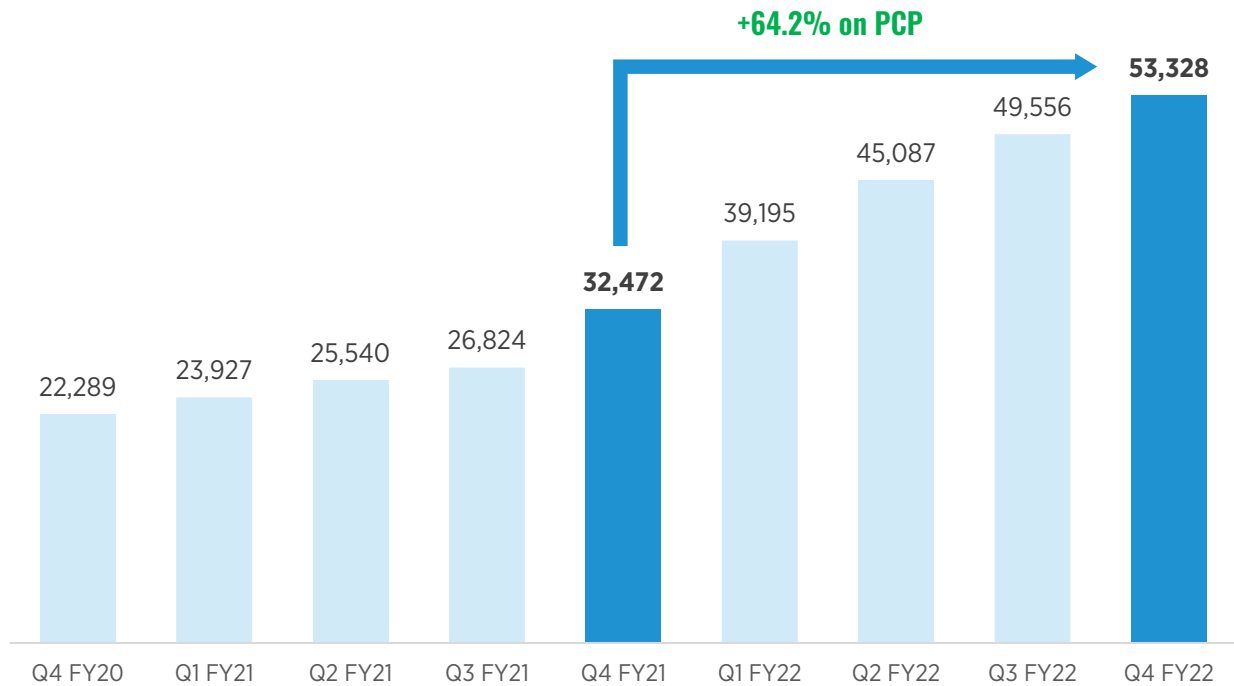


Note: Turnover, Gross Win and Net Win amounts include GST

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

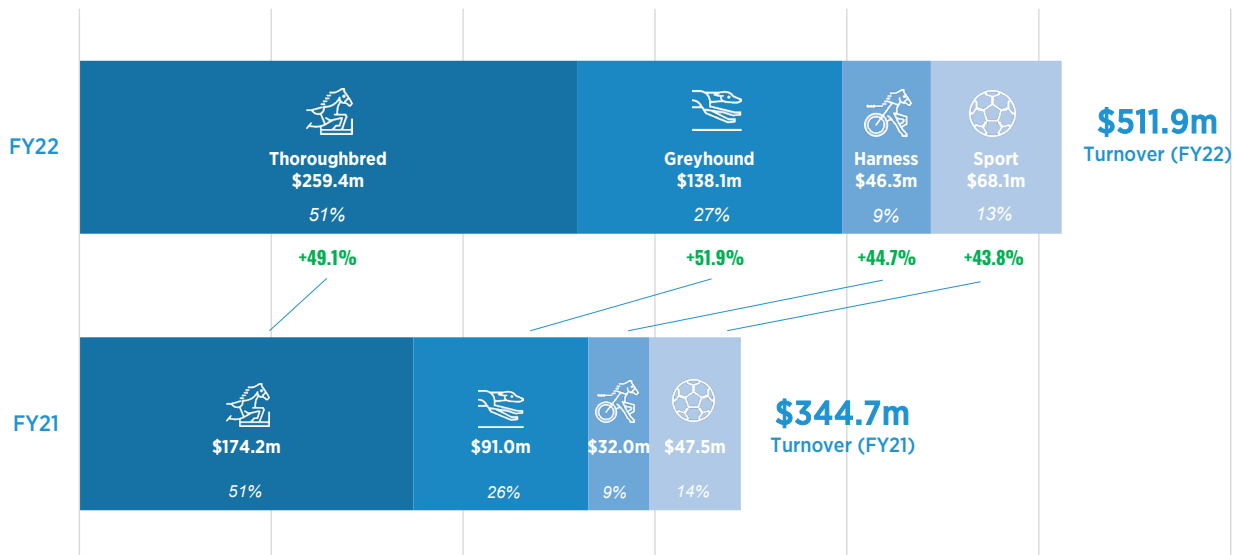
ACTIVE CLIENTS

For the 12 months to 30 June 2022, BlueBet had 53,328 Active Customers, defined as customers who have placed a bet during that 12-month period. Active Customers increased by 20,856 (or 64.2%) – the fastest pace in several years as IPO Marketing funds were deployed effectively.



TURNOVER BY PRODUCT

BlueBet saw impressive growth across all wagering products. Turnover on Sport increased 43.8%, with Bet count on sport increasing by 81.3%. This demonstrates the effectiveness of Sport as an acquisition product, with many first-time recreational customers having their first bet on sport before progressing to other products.

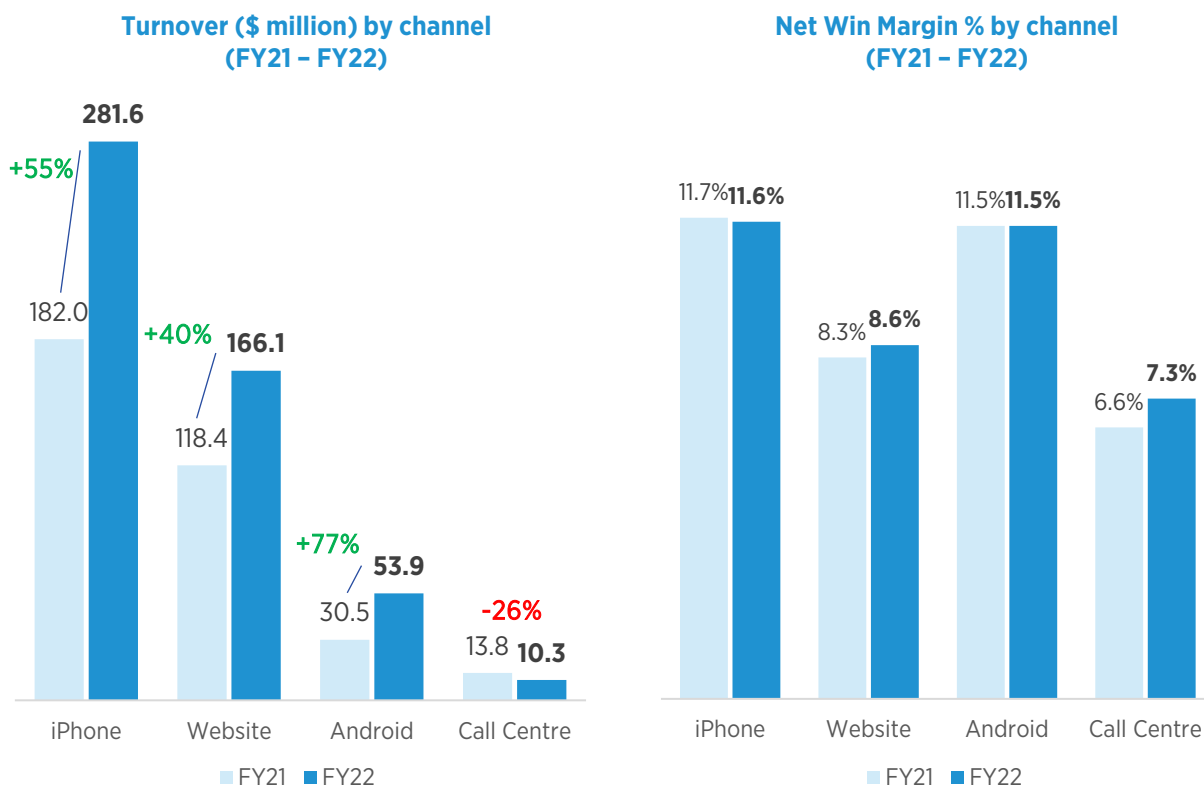


Note: Turnover amounts include GST

TURNOVER & NET WIN BY CHANNEL

In FY22, 66% of Turnover and 72% of Bet Count came from mobile apps. Mobile apps continue to be the fastest growing channel, with iPhone turnover growing by 55% and Android growing by 77% over the prior year. Importantly, the mobile channel also delivers the highest margins, with the Average Net Win margin through our mobile apps of 11.6% compared to 8.5% through other channels.

As detailed in the Prospectus, product and innovation are extremely important to ensure BlueBet provides the best experience for its customers. During the period, IPO capital was deployed towards platform development, and in December 2021 a new website, new iOS and Android apps were launched for the Australian business. These also formed the nucleus for the platform development for the US which gained certification after the period end.



Note: Turnover amounts include GST

AUSTRALIAN GROWTH STRATEGY

BlueBet has a focused and disciplined approach to marketing to promote its range of products and services, in order to:

- Acquire new customers using a comprehensive multichannel approach with a focus on TV and digital, radio, outdoor advertising, and new digital audio to target key demographics.
- Retain existing customers by optimising messaging and content across all key channels including email, SMS, push notifications and in-app messaging; and
- Maximise customer engagement for BlueBet to become their preferred betting platform.

In FY22, BlueBet had a Cost per First-Time Depositor of \$386 as result of its comprehensive multichannel approach, which seeks to optimise marketing spend on key performing channels. This produced a very attractive 2.7x ratio to Average Annual Customer Value of \$1,025. This high return on marketing investment has grown the Australian business so that it can support the increased spend and importantly remain Operating Cash Flow positive.

Advertising and marketing expense in FY22 increased by 190.3% to \$13.9 million, with the Company committed to deploying further resources towards:

- **Mobile:** budget directed towards high-growth, cost-effective mobile categories with a specific focus on app search advertising, in-app advertising and mobile display advertising.
- **Partnerships:** the establishment of long-term strategic partnerships with major national sports, media, and casino brands.
- **Sponsorship:** opportunities for branding and sponsorship through mid- to long-term AFL, NRL and racing agreements.
- **Advertising:** TV and radio advertising to increase brand awareness, including the Company's new Dolphins NRL sponsorship; and
- **Online:** grow search engine optimisation and increase pay-per-click budgets to increase brand awareness.

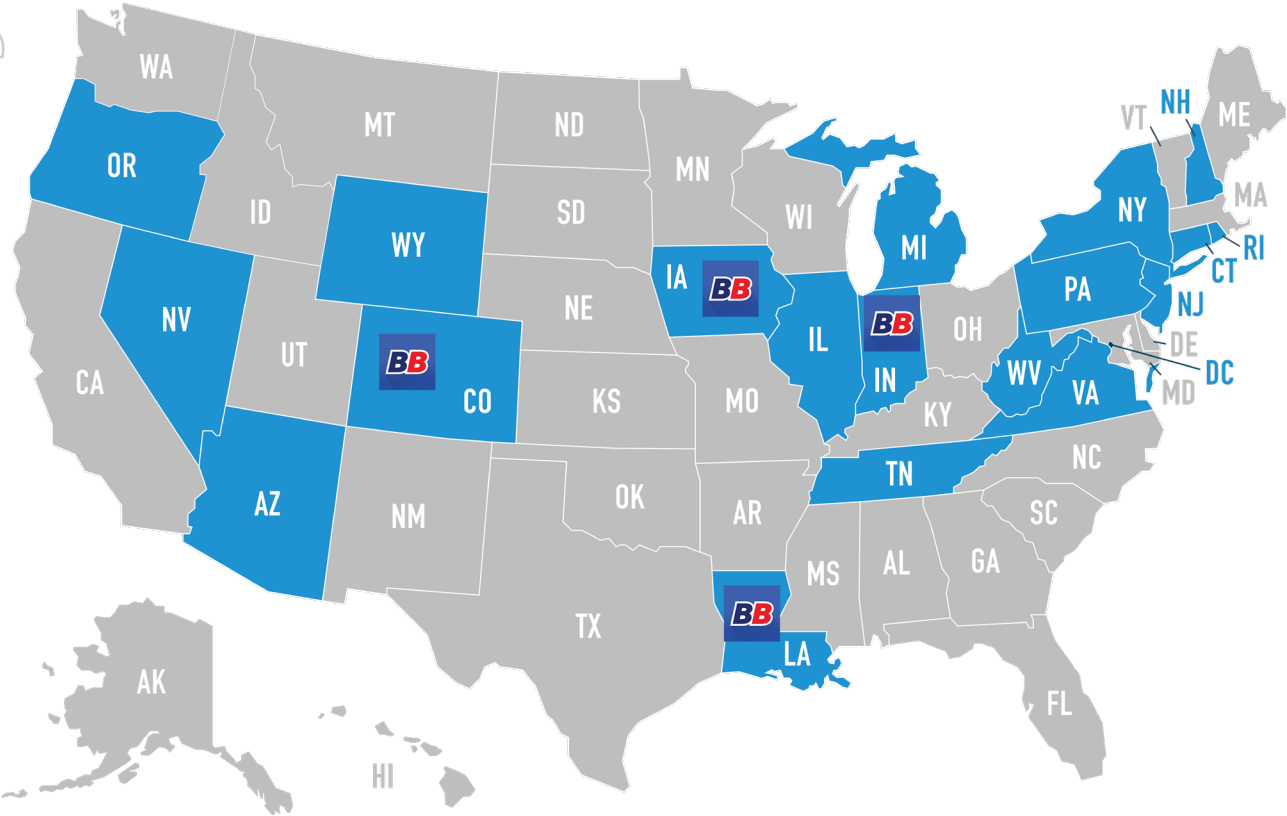
Our new brand campaign "The BlueBet Kind of Guy" has just been released ahead of the Spring Racing Carnival and NRL / AFL Finals positions BlueBet as a brand for punters from all walks of life and celebrates all the good things about our Aussie culture.



NORTH AMERICA MARKET ENTRY STRATEGY

Historically, sports betting in the US has been heavily restricted by the Professional and Amateur Sports Protection Act (PASPA) legislation. This legislation was overturned in 2018, with the effect that each individual state is now free to legalise sports wagering, including online sports wagering. To date, 17 states have full legalised online mobile sports wagering and 4 states have limited mobile betting options. A further 10 states have in-person retail only betting and 4 states (Kansas, Maine, Massachusetts and Ohio) are awaiting further action by regulators before going live.

LEGAL SPORTS BETTING IN THE USA



Industry commentators estimate up to 40 states potentially legalising some form of sports betting by the end of 2023, with Macquarie believing online sports betting will be available to 96% of the US population by 2025.

As detailed in BlueBet’s Prospectus, the Company’s market entry strategy is a staged approach as detailed below:



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



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



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

This “Capital Lite” strategy remains unchanged and the Company remains confident in the strategy being the right one to deliver the most value to shareholders. In executing this strategy, with four market access agreements already in place, in Iowa, Colorado, Louisiana and Indiana, the Company has the platform to complete Stage 1 of its B2C Strategy. The combined populations of these four states exceeds 20 million people and each market has a clear path to profitability with attractive licencing, taxation and media spend.

With the team's immediate focus on executing its B2C Strategy in those four initial markets, initial discussions are commencing to secure partners for Stage 2 (Sportsbook-as-a-Solution). This "Capital Lite" approach would see BlueBet partner with established organisations to deliver a cost-effective sportsbook. This is summarised below:



BENEFIT TO PARTNER

- Create new revenue stream that cross-markets & maximizes other revenue sources
- Build on existing brand & customer base
- Engage new customers and demographics
- Access to BlueBet's technology and expertise

BENEFIT TO BLUEBET

- Stronger, faster & more efficient market entry
- Build on partner's knowledge of and reputation in the local market
- Customer data access
- Jointly grow and develop new business opportunities

BlueBet Sportsbook-as-a-Solution

Client onboarding

Client verification

Banking – all deposits and withdrawals

Fraud protection

Responsible wagering

Full trading solution to maximise margin (Pricing, book and customer management)

Compliance monitoring

Reporting

Potential partners



Casino groups



Sporting organisations



Media organisations

TECHNOLOGY

BlueBet is powered by its custom-built technology suite that includes both customer-facing technology, which drives BlueBet's strong customer metrics, and non-customer-facing technology, which enables BlueBet to scale and innovate efficiently in a cost-effective manner. BlueBet's wagering platform has been developed to enable a mobile-first strategy, which allows for an optimised user experience across desktop, mobile web and iOS and Android mobile apps.

BlueBet is committed to continue to innovate and differentiate in order to take share from major industry competitors. As a result of the strong returns delivered in FY22 from its increased marketing investment in Australia it is the Company's intention to reinvest these funds in product with the creation of an Innovation team to deliver product enhancements that differentiate BlueBet from its competitors.

IN SUMMARY

BlueBet has a dual-growth strategy focused on further increasing its market share in Australia and entering the US online sports betting market with a "Capital Lite" Two Stage Strategy to capitalise on the considerable market opportunity created as a result of legislative reform allowing legalised online sports wagering. We are taking a focused and disciplined approach on execution.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the Group executed on its US expansion strategy, obtaining market access in four US states.

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information relating to the likely developments in the operations of the Group and the expected results of those operations in future financial years is set out in the review of operations section above and elsewhere in this report.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth, Australian State or any US law.

INFORMATION ON DIRECTORS

Name:	Michael Sullivan
Title:	Executive Director - Chairman
Qualifications:	Licenced bookmaker since 1988
Experience and expertise:	Michael Sullivan commenced as a bookmaker in Brisbane in 1988 and was the CEO of Sportingbet Australia/William Hill until 2014. During his 13 years as CEO of Sportingbet Australia, Michael grew the company into one of Australia's leading online corporate bookmakers. Michael also served as an adviser to the Sportingbet PLC board as it expanded its international operations. In 2012, Sportingbet acquired competitor Centrebet and integrated Centrebet into its technology platform. Under Michael's leadership, the combined entity generated annual turnover of circa \$3 billion, and became the subject of an acquisition from William Hill. The business sold for \$660 million in March 2013. Michael remained as CEO of William Hill Australia to oversee the acquisition of tomwaterhouse.com, and following the integration of that business Michael departed William Hill Australia in April 2014 and founded BlueBet, which has repeated the early growth of Sportingbet Australia. Michael's depth of experience in the Australian and international wagering market is invaluable to the success of BlueBet's strategy.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Board and Member of the Audit and Risk Committee
Interests in shares:	84,157,894 ordinary shares
Interests in options:	804,823 options over ordinary shares
Interests in performance rights	168,831 performance share rights

Name:	William (Bill) Richmond
Title:	Executive Director - Chief Executive Officer
Qualifications:	Bachelor of Business and a Bachelor of Arts - Journalism
Experience and expertise:	Bill Richmond joined Sportingbet in 2004, where he managed a range of departments. As a trading manager, Bill built and managed a team of over 30 traders. After successfully running the day-to-day trading operation for five years, Bill was promoted to Head of Product and Digital Operations. Responsible for products for both the Sportingbet and Centrebet brands, Bill oversaw Sportingbet Australia's growth in available markets/products, which more than doubled during his tenure resulting in increases in bet numbers, active clients, site usability and ultimately, revenue/turnover. Bill started as BlueBet's Chief Operating Officer in 2015 and has managed all day-to-day operations since then. Bill has extensive experience operating large digital businesses at different stages in their life cycle and has worked across trading, marketing, IT and operations. Bill was appointed as the company's Chief Executive Officer on 1 March 2021.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	16,241,776 ordinary shares
Interests in options:	804,823 options over ordinary shares
Interests in performance rights:	207,792 performance share rights

Name:	Tim Worner
Title:	Non-Executive Director
Experience and expertise:	Tim Worner has spent more than three decades in various positions in the Australian media, building and marketing programs and businesses. Tim was the Director of Programming and Production at the Seven Network, taking it to number one for more than 10 years. He was then appointed Managing Director and Chief Executive Officer of Seven West Media (SWM), a group of television, radio, newspaper, magazine and digital businesses with an annual turnover of \$1.7 billion. He led negotiations for sports rights and was instrumental in the establishment of racing.com - a free-to-air television and online content joint venture between Racing Victoria and SWM. Tim is the former Chairman of Australian News Channel, which produced Sky News, and a former director of Yahoo 7, the Sydney Swans and Airtasker. He is now an investor in a number of start-up ventures.
Other current directorships:	None
Former directorships (last 3 years):	Seven West Media Ltd
Special responsibilities:	Member of the Remuneration and Nomination Committee
Interests in shares:	21,930 ordinary shares
Interests in options:	241,447 options over ordinary shares

Name:	David Fleming
Title:	Non-Executive Director
Qualifications:	Member of the Australian Institute of Company Directors
Experience and expertise:	David is a non-executive director of URef Pty Ltd, a sports technology and odds-making start-up company. He is also the founder of Springboard Advisory, providing business consulting and executive performance coaching services. David practised law for over 30 years with Baker McKenzie in Australia, England and Hong Kong. Prior to his retirement from Baker McKenzie in late 2017 he was an international partner for 22 years, focusing on mergers and acquisitions (M&A) and corporate transactions. David also held a number of senior management positions at Baker McKenzie - including managing partner of five offices in Asia, head of M&A in Hong Kong and Asia-Pacific, and was a member of a number of firm committees responsible for strategic planning and governance, nominations, and professional responsibility.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	87,719 ordinary shares
Interests in options:	241,447 options over ordinary shares

Name:	Nigel Payne
Title:	Non-Executive Director
Experience and expertise:	Nigel Payne has over 30 years' experience as chairman, chief executive, director and non-executive director of some of the United Kingdom's pre-eminent private and quoted businesses both within and outside of the online gambling industry. Nigel is the former CEO of FTSE 250 Listed Sportingbet plc, one of the then largest internet gambling businesses in the world. Nigel has been involved in the listing of 18 businesses on the London Stock Exchange, and is presently the Chairman of UK AIM market-listed law firm Gateley (Holdings) plc and the Chairman of UK Main Market-listed Braemar Shipping Services plc. Nigel is also a non-executive director of UK AIM market listed GetBusy plc, ASX listed Sun International Limited as well as being a non-executive director of Ascot Racecourse Betting and Gaming Limited, and computer games specialists Green Man Gaming Limited and Kwalee Limited. Nigel is the former Chairman of UK AIM market-listed Stride Gaming plc, EG Solutions plc and ECSC Group plc.
Other current directorships:	Sun International Limited, Braemar plc, Gateley plc, GetBusy plc, Ascot Racecourse Betting and Gaming Limited, Green Man Gaming, Kwalee Limited
Former directorships (last 3 years):	None
Special responsibilities:	Chairman and member of the Remuneration and Nomination Committee and Chairman and member of the Audit and Risk Committee
Interests in shares:	None
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARY

The company secretary is Laura Newell of Boardroom Pty Ltd.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	FULL BOARD		REMUNERATION AND NOMINATION COMMITTEE		AUDIT AND RISK COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Michael Sullivan	11	12	3	3	4	4
Bill Richmond	12	12	-	-	-	-
Tim Worner	12	12	3	3	-	-
David Fleming	12	12	-	-	4	4
Nigel Payne	12	12	3	3	4	4

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Shares and options issued to directors and key management personnel
- Additional information
- Additional disclosures relating to key management personnel

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. As set out in the IPO prospectus, the maximum annual aggregate remuneration available to non-executive directors was set at \$500,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of two, three and four years based on long-term incentive measures and continuous employment. These include increase in shareholders' value relative to the entire market and the increase compared to the Group's direct competitors. The Remuneration and Nomination Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Group entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2022, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

At the 2021 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables. The key management personnel of the Group consisted of the following directors of BlueBet Holdings Ltd:

- Michael Sullivan - Executive Chairman
- Bill Richmond - Chief Executive Officer
- Tim Worner
- David Fleming
- Nigel Payne

And the following person:

- Darren Holley - Chief Financial Officer

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL
	CASH SALARY AND FEES	CASH BONUS	NON-MONETARY	SUPER-ANNUATION	LONG SERVICE LEAVE	EQUITY-SETTLED	
	\$	\$	\$	\$	\$	\$	\$
2022							
Non-Executive Directors:							
Tim Worner	80,000	-	-	8,000	-	33,695	121,695
David Fleming	80,000	-	-	8,000	-	33,695	121,695
Nigel Payne	100,000	-	-	-	-	-	100,000
Executive Directors:							
Michael Sullivan	297,500	-	41,242	27,500	-	234,664	600,906
Bill Richmond	372,500	200,000	-	27,500	-	262,898	862,898
Other Key Management Personnel:							
Darren Holley	322,500	175,000	-	27,500	-	293,009	818,009
	1,252,500	375,000	41,242	98,500	-	857,961	2,625,203

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL
	CASH SALARY AND FEES	CASH BONUS	NON-MONETARY	SUPER-ANNUATION	LONG SERVICE LEAVE	EQUITY-SETTLED	
	\$	\$	\$	\$	\$	\$	\$
2021							
Non-Executive Directors:							
Tim Worner	6,667	-	-	633	-	-	7,300
David Fleming	6,667	-	-	633	-	-	7,300
Nigel Payne	8,333	-	-	-	-	-	8,333
Executive Directors:							
Michael Sullivan ^{1,2}	300,000	-	41,242	25,000	-	-	366,242
Bill Richmond ¹	308,461	75,235	-	25,000	-	-	408,696
Other Key Management Personnel:							
Darren Holley ¹	135,000	112,852	-	23,546	-	-	271,398
	765,128	188,087	41,242	74,812	-	-	1,069,269

¹ includes the remuneration earned in BlueBet Pty Ltd before the restructure and IPO.

² in addition to the above remuneration Michael Sullivan received a dividend of \$2,564,100 from BlueBet Pty Ltd prior to the Group restructure and the Group being listed on the Australian stock exchange.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

NAME	FIXED REMUNERATION		AT RISK - STI		AT RISK - LTI
	2022	2021	2022	2021	2022
Non-Executive Directors:					
Tim Worner	72%	100%	-	-	28%
David Fleming	72%	100%	-	-	28%
Nigel Payne	100%	100%	-	-	-
Executive Directors:					
Michael Sullivan	61%	100%	-	-	39%
Bill Richmond	47%	82%	23%	18%	30%
Other Key Management Personnel:					
Darren Holley	43%	58%	21%	42%	36%

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Nomination and Remuneration Committee.

The proportion of the cash bonus paid/payable or forfeited is as follows:

NAME	CASH BONUS PAID/PAYABLE		CASH BONUS FORFEITED	
	2022	2021	2022	2021
Executive Directors:				
Bill Richmond	100%	-	-	-
Other Key Management Personnel:				
Darren Holley	100%	-	-	-

SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Michael Sullivan
Title:	Executive Director - Chairman
Agreement commenced:	1 March 2021
Term of agreement:	Under Mr Sullivan's employment contract, either he or BlueBet may terminate his employment by giving the other party three months' notice (or by BlueBet making payment of his salary in lieu of part of or all of the notice period). Mr Sullivan's employment contract contains post-employment restraints.
Details:	Fixed annual remuneration: \$325,000 (including superannuation). Short-term incentive (STI): N/A. Long-term incentive (LTI): Mr Sullivan is entitled to participate in the company's Long Term Incentive Plan ('LTIP'), and received 804,823 options immediately following completion under the proposed LTIP grant. Further details on these rights LTIP are set out in note 35, including key terms and conditions (such as the vesting conditions). Mr Sullivan (or nominee) is eligible to receive performance share rights equal to 100% of his fixed annual remuneration (168,831 rights). The performance rights are issued at the discretion of the company and are issued after an evaluation of his performance in the exercise of his duties as Executive Chairman. Further details on these rights are set out in note 35, including key terms & conditions (such as vesting conditions). Other benefits: Mr Sullivan also receives the benefit of two asset loan agreements (for two motor vehicles) entered into by BlueBet Pty Ltd, which the Board has determined form part of his reasonable remuneration.

Name:	Bill Richmond
Title:	Chief Executive Officer
Agreement commenced:	1 March 2021
Term of agreement:	Under Mr Richmond's employment contract, either he or BlueBet may terminate his employment by giving the other party three months' notice (or by BlueBet making payment of his salary in lieu of part of or all of the notice period). Mr Richmond's employment contract contains post-employment restraints.
Details:	Fixed annual remuneration: \$400,000 (including superannuation). Short-term incentive (STI): Mr Richmond is eligible to receive a cash bonus of up to 50% of his fixed annual remuneration inclusive of superannuation. The cash incentive is paid at the discretion of the company and is calculated after an evaluation of his performance in the exercise of his duties as Chief Executive Officer and the extent to which the company achieves its financial targets and forecasts. Long-term incentive (LTI): Mr Richmond is entitled to participate in the company's Long Term Incentive Plan ('LTIP'), and received 804,823 options immediately following completion under the proposed LTIP grant. Further details on the LTIP are set out in note 35, including key terms and conditions (such as the vesting conditions). Mr Richmond (or nominee) is eligible to receive performance share rights equal to 100% of his fixed annual remuneration (207,792 rights). The performance rights are issued at the discretion of the company and are issued after an evaluation of his performance in the exercise of his duties as Chief Executive Officer. Further details on these rights are set out in note 35, including key terms & conditions (such as vesting conditions).
Name:	Darren Holley
Title:	Chief Financial Officer
Agreement commenced:	1 February 2021
Term of agreement:	Under Mr Holley's employment contract, either he or BlueBet may terminate his employment by giving the other party three months' notice (or by BlueBet making payment of his salary in lieu of part of or all of the notice period). Mr Holley's employment contract contains post-employment restraints.
Details:	Fixed annual remuneration: \$350,000 (including superannuation). Short-term incentive (STI): Mr Holley is eligible to receive a cash bonus of up to 50% of his fixed annual remuneration inclusive of superannuation. The cash incentive is paid at the discretion of the company and is calculated after an evaluation of his performance in the exercise of his duties as Chief Financial Officer and the extent to which the company achieves its financial targets and forecasts. Long-term incentive (LTI): Mr Holley is entitled to participate in the company's Long Term Incentive Plan ('LTIP'), and received 1,207,235 options immediately following completion under the proposed LTIP grant. Further details on the LTIP are set out in note 35, including key terms and conditions (such as the vesting conditions). Mr Holley (or nominee) is eligible to receive performance share rights equal to 100% of his fixed annual remuneration (181,818 rights). The performance rights are issued at the discretion of the company and are issued after an evaluation of his performance in the exercise of his duties as Chief Financial Officer. Further details on these rights are set out in note 35, including key terms & conditions (such as vesting conditions).

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

SHARES AND OPTIONS ISSUED TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

NAME	NUMBER OF OPTIONS GRANTED	GRANT DATE	VESTING DATE AND EXERCISABLE DATE	EXPIRY DATE	EXERCISE PRICE	AVERAGE FAIR VALUE PER OPTION AT GRANT DATE
Michael Sullivan	804,823	29 June 2021	Various ¹	29 June 2028	\$1.14	\$0.386
Bill Richmond	804,823	29 June 2021	Various ¹	29 June 2028	\$1.14	\$0.386
Tim Worner	241,447	29 June 2021	Various ¹	29 June 2028	\$1.14	\$0.386
David Fleming	241,447	29 June 2021	Various ¹	29 June 2028	\$1.14	\$0.386
Darren Holley	1,207,235	30 June 2021	Various ¹	30 June 2028	\$1.14	\$0.386

¹ In relation to the vesting of these options, one-third vests 24 months after the grant date, one-third vests 36 months after the grant date and the remaining third vests 48 months after the grant date, based on the director or employee maintaining continual service to the Group.

Options granted carry no dividend or voting rights.

Performance share rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

NAME	NUMBER OF RIGHTS GRANTED	GRANT DATE	VESTING DATE AND EXERCISABLE DATE	EXPIRY DATE	SHARE PRICE HURDLE FOR VESTING	FAIR VALUE PER RIGHT AT GRANT DATE
Michael Sullivan	168,831	29 November 2021	Various ¹	N/A	N/A	\$1.550
Bill Richmond	207,792	29 November 2021	Various ¹	N/A	N/A	\$1.550
Darren Holley	181,818	23 December 2021	Various ¹	N/A	N/A	\$1.465

¹ In relation to the vesting of these performance share rights into ordinary shares, 20% vest at 30 June 2022, 30% vest at 30 June 2023, and 50% vest at 30 June 2024, based on the director or employee maintaining continual service to the Group & providing a satisfactory level of performance.

Performance rights granted carry no dividend or voting rights.

Values of performance rights over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

NAME	NUMBER OF RIGHTS GRANTED DURING THE YEAR	NUMBER OF RIGHTS EXERCISED DURING THE YEAR	NUMBER OF RIGHTS VESTED DURING THE YEAR	REMUNERATION CONSISTING OF RIGHTS FOR THE YEAR %
Michael Sullivan	168,831	-	33,766	50%
Bill Richmond	207,792	-	41,558	40%
Darren Holley	181,818	-	36,364	40%

ADDITIONAL INFORMATION

The earnings of the Group for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018 (UNAUDITED)
	\$'000	\$'000	\$'000	\$'000	\$'000
Wagering revenue	49,668	32,351	16,808	9,575	7,708
(Loss)/profit after income tax	(6,071)	2,979	4,485	(374)	(2,022)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021
Share price at financial year end (\$)	0.50	1.14
Basic earnings per share (cents per share)	(3.03)	1.90
Diluted earnings per share (cents per share)	(3.03)	1.80

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ OTHER	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Michael Sullivan	83,157,894	-	1,000,000	-	84,157,894
Bill Richmond	16,241,776	-	-	-	16,241,776
Tim Worner	21,930	-	-	-	21,930
David Fleming	87,719	-	-	-	87,719
Darren Holley	43,860	-	-	-	43,860
	99,553,179	-	1,000,000	-	100,553,179

All of the shares at the start of the year are subject to voluntary escrow for a period of 24 months from the date of the company being listed, in this case up to 30 June 2023.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
Options over ordinary shares					
Michael Sullivan	804,823	-	-	-	804,823
Bill Richmond	804,823	-	-	-	804,823
Tim Worner	241,447	-	-	-	241,447
David Fleming	241,447	-	-	-	241,447
Darren Holley	1,207,235	-	-	-	1,207,235
	3,299,775	-	-	-	3,299,775

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	BALANCE AT THE START OF THE YEAR	GRANTED	VESTED AND EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
Performance rights over ordinary shares					
Michael Sullivan	-	168,831	-	-	168,831
Bill Richmond	-	207,792	-	-	207,792
Darren Holley	-	181,818	-	-	181,818
	-	558,441	-	-	558,441

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

Unissued ordinary shares of BlueBet Holdings Ltd under option at the date of this report are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
29 June 2021	29 June 2028	\$1.14	5,054,289
30 June 2021	30 June 2028	\$1.14	5,231,351
27 January 2022	27 January 2029	\$1.12	1,000,000
			11,285,640

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of BlueBet Holdings Ltd under performance rights at the date of this report are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
29 November 2021	N/A	N/A	376,623
23 December 2021	N/A	N/A	423,508
			800,131

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of BlueBet Holdings Ltd issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

There were no ordinary shares of BlueBet Holdings Ltd issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Ernst & Young

There are no officers of the company who are former partners of Ernst & Young.

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 298(2)(a) of the Corporations Act 2001. On behalf of the directors



Michael Sullivan
Executive Chairman
30 August 2022



**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 audit of the financial report of BlueBet Holdings Limited for the financial year ended 30 June 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 audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Simon Hannigan
Partner
30 August 2022



FINANCIAL STATEMENTS

For personal use only



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
	NOTES		
Revenue			
Wagering revenue	5	49,668	32,351
Cost of wagering services		(22,661)	(14,093)
Gross profit		27,007	18,258
Interest revenue calculated using the effective interest method		185	-
Expenses			
Employee benefits expense		(11,053)	(3,336)
Advertising and marketing expense		(13,910)	(4,795)
Licensing, platform and subscriptions		(3,202)	(978)
IT expense		(1,020)	(580)
Administration expense		(1,077)	(545)
Depreciation and amortisation expense	6	(766)	(147)
IPO expense		-	(2,736)
Other expenses		(2,414)	(553)
Finance costs	6	(55)	(76)
(Loss)/profit before income tax benefit/(expense)		(6,305)	4,512
Income tax benefit/(expense)	7	234	(1,533)
(Loss)/profit after income tax benefit/(expense) for the year attributable to the owners of BlueBet Holdings Ltd		(6,071)	2,979
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		237	-
Other comprehensive income for the year, net of tax		237	-
Total comprehensive income for the year attributable to the owners of BlueBet Holdings Ltd		(5,834)	2,979
		CENTS	CENTS
Basic earnings per share	34	(3.03)	1.90
Diluted earnings per share	34	(3.03)	1.80

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
	NOTES		
Assets			
Current assets			
Cash and cash equivalents	8	47,268	56,104
Trade and other receivables	9	632	188
Income tax refund due	7	1,013	-
Other assets	10	787	570
Total current assets		49,700	56,862
Non-current assets			
Property, plant and equipment	11	751	412
Right-of-use assets	12	1,097	946
Intangibles	13	5,820	428
Deferred tax asset	7	750	746
Other assets	10	94	94
Total non-current assets		8,512	2,626
Total assets		58,212	59,488
Liabilities			
Current liabilities			
Trade and other payables	14	6,670	5,663
Borrowings	15	111	35
Lease liabilities	16	378	211
Income tax payable	7	-	1,155
Employee benefits	17	270	146
Provisions	18	650	-
Client deposits on hand	19	3,608	2,605
Total current liabilities		11,687	9,815
Non-current liabilities			
Borrowings	15	-	111
Lease liabilities	16	794	737
Employee benefits	17	365	215
Total non-current liabilities		1,159	1,063
Total liabilities		12,846	10,878
Net assets		45,366	48,610
Equity			
Issued capital	20	47,806	47,806
Reserves	21	3,361	534
Retained profits/(accumulated losses)		(5,801)	270
Total equity		45,366	48,610

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	ISSUED CAPITAL	RESERVES	RETAINED EARNINGS	TOTAL EQUITY
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	-	-	(145)	(145)
Profit after income tax expense for the year	-	-	2,979	2,979
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	2,979	2,979
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	47,806	-	-	47,806
Share-based payments (note 21)	-	534	-	534
Dividends paid (note 22)	-	-	(2,564)	(2,564)
Balance at 30 June 2021	47,806	534	270	48,610

	ISSUED CAPITAL	RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	47,806	534	270	48,610
Loss after income tax benefit for the year	-	-	(6,071)	(6,071)
Other comprehensive income for the year, net of tax	-	237	-	237
Total comprehensive income for the year	-	237	(6,071)	(5,834)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 21)	-	2,590	-	2,590
Balance at 30 June 2022	47,806	3,361	(5,801)	45,366

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	NOTES	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (Client deposits)		126,567	83,108
Payments to customers (Client withdrawals)		(71,258)	(46,465)
Payments to suppliers and employees (inclusive of GST)		(53,835)	(27,032)
		1,474	9,611
Interest received		185	-
Interest and other finance costs paid		(116)	(76)
Income taxes paid		(2,510)	(1,122)
Net cash (used in)/from operating activities	31	(967)	8,413
Cash flows from investing activities			
Payments for property, plant and equipment	11	(429)	(252)
Payments for intangibles	13	(6,202)	(411)
Net cash used in investing activities		(6,631)	(663)
Cash flows from financing activities			
Net proceeds from issue of shares	20	-	50,000
Proceeds from issue of options		-	520
Share issue transaction costs		(1,209)	(4,164)
Payment of office bond		(29)	(44)
Repayment of leases		-	(95)
Repayment of chattel mortgage		-	(41)
Dividends paid	22	-	(2,564)
Net cash (used in)/from financing activities		(1,238)	43,612
Net (decrease)/increase in cash and cash equivalents		(8,836)	51,362
Cash and cash equivalents at the beginning of the financial year		56,104	4,742
Cash and cash equivalents at the end of the financial year	8	47,268	56,104

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

On 2 July 2021, BlueBet Holdings Ltd ('BBT') was admitted to the Official List of ASX Limited ('ASX').

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 30 August 2022. The directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

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

GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. It also assumes that the Group will be able to meet its obligations and pay its liabilities as they fall due.

The directors have taken into account all available information about the future and prepared detailed cash flow forecasts for a period exceeding twelve months from the date of this report. The directors believe that the Group will be able to meet its commitments and accordingly, the financial report has been prepared on the basis of a going concern.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared on a going concern basis and under the historical cost basis except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair value through profit or loss ('FVTPL').

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BlueBet Holdings Ltd ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. BlueBet Holdings Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is BlueBet Holdings Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

The Group recognises revenue as follows:

Wagering revenue

Wagering revenue is recognised as the residual value after deducting the return to customers from betting turnover. Return to customers includes payouts owing from free bets placed. Fixed odds betting revenue is classified as revenue and recognised as the net win or loss on an event. Amounts received from clients are presented as a financial liability (client deposits on hand). When a bet is placed on an event, the amount is reclassified to another category of financial liability (trade and other payables - pending bets). When the outcome of the event is determined, the revenue is brought to account. Open fixed odds betting positions are carried at fair value and gains and losses arising on these positions are recognised in revenue. Variable odds betting revenue is recognised when the uncertainty associated with the variable consideration is subsequently resolved, which is when the event is complete.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate in Australia adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	2 to 10 years
Motor vehicles	8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed at least annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website and apps (research and development)

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 to 5 years.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patents and trademarks

Costs associated with patents and trademarks are treated as indefinite life intangible assets. Management considers that the useful lives of patents and trademarks are indefinite because there are no foreseeable limits to the cash flows these assets can generate. They are tested at least annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Licensing

Costs associated with licensing are treated as definite life intangibles in accordance with the associated licensing agreements and amortised accordingly. They are tested at least annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

FINANCE COSTS

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

PROVISIONS

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of BlueBet Holdings Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Amending accounting standards issued are not considered to have a significant impact on the financial statements of the Group as their amendments provide either clarification of existing accounting treatment or editorial amendments.

AASB 2020-1 Classification of liabilities as current or non-current

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2023, as extended by AASB 2020-6. Early adoption is permitted. This standard amends AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or noncurrent. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is conditional, the right only exists if, at the end of the reporting period, those conditions have been complied with. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

SHARE-BASED PAYMENT TRANSACTIONS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

RECOVERY OF DEFERRED TAX ASSETS

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Group considers evidence such as cash flow forecasts.

NOTE 4. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group is organised into two operating segments 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.

MAJOR CUSTOMERS

There was no customer that contributed more than 10% of revenues (2021: nil customers).

OPERATING SEGMENT INFORMATION

	AUSTRALIA	NORTH AMERICA	TOTAL
	\$'000	\$'000	\$'000
CONSOLIDATED 2022			
Revenue			
Wagering revenue	49,668	-	49,668
Cost of wagering services	(22,661)	-	(22,661)
Gross margin	27,007	-	27,007
<i>Unallocated revenue:</i>			
Interest revenue			185
Total revenue			27,192
Segment EBITDA	(2,881)	(2,603)	(5,484)
Depreciation and amortisation			(766)
Finance costs			(55)
Loss before income tax benefit			(6,305)
Income tax benefit			234
Loss after income tax benefit			(6,071)
Assets			
Segment assets ¹	52,588	5,624	58,212
Total assets			58,212
Liabilities			
Segment liabilities	12,103	743	12,846
Total liabilities			12,846

1. Cash included with Australian assets will be utilised in establishing the US business.

NOTE 4. OPERATING SEGMENTS (CONTINUED)

	AUSTRALIA	USA	TOTAL
CONSOLIDATED 2021	\$'000	\$'000	\$'000
Revenue			
Wagering revenue	32,351	-	32,351
Cost of wagering services	(14,093)	-	(14,093)
Total revenue	18,258	-	18,258
Segment EBITDA	7,800	(329)	7,471
Depreciation and amortisation			(147)
Finance costs			(76)
IPO expense			(2,736)
Profit before income tax expense			4,512
Income tax expense			(1,533)
Profit after income tax expense			2,979
Assets			
Segment assets ¹	59,425	63	59,488
Total assets			59,488
Liabilities			
Segment liabilities	10,811	67	10,878
Total liabilities			10,878

1. Cash included with Australian assets will be utilised in establishing the US business.

GEOGRAPHICAL INFORMATION

	SALES TO EXTERNAL CUSTOMERS		GEOGRAPHICAL NON-CURRENT ASSETS	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Australia	49,668	32,351	5,730	2,624
North America	-	-	2,032	2
	49,668	32,351	7,762	2,626

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 5. WAGERING REVENUE

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Revenue from wagering		
Betting turnover (gross of GST)	511,919	344,733
Payouts on betting (gross of GST)	(441,405)	(300,508)
	64,104	40,205
Promotions given (gross of GST)	(15,880)	(8,639)
GST	(4,966)	(3,235)
Wagering revenue	49,668	32,351

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	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Major product lines		
Revenue from betting on:		
Sports	3,711	2,952
Horse racing	22,497	14,620
Greyhound racing	17,613	10,895
Harness racing	5,847	3,884
	49,668	32,351
Geographical regions		
Australia	49,668	32,351

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 6. EXPENSES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	104	23
Motor vehicles	25	22
Land and buildings right-of-use assets	315	96
Total depreciation	444	141
Amortisation		
Website and apps	326	6
Total depreciation and amortisation	770	147
Finance costs		
Interest and finance charges paid/payable on borrowings	7	73
Interest and finance charges paid/payable on lease liabilities	48	3
Finance costs expensed	55	76
Superannuation expense		
Defined contribution superannuation expense	568	276

NOTE 7. INCOME TAX

	CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
Income tax (benefit)/expense		
Current income tax (benefit)/expense	(230)	1,726
Deferred tax (benefit) - origination and reversal of temporary differences	(4)	(193)
Aggregate income tax (benefit)/expense	(234)	1,533
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate		
(Loss)/profit before income tax benefit/(expense)	(6,305)	4,512
Tax at the statutory tax rate of 25% (2021: 26%)	(1,576)	1,173
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	35	10
Share-based payments	601	-
IPO costs relating to US portion of capital raise	-	252
Sundry items	2	6
Other	-	6
Adjustment to deferred tax balances as a result of change in statutory tax rate	29	-
Current year tax losses not recognised (USA related)	675	86
Income tax (benefit)/expense	(234)	1,533
	CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
Amounts credited directly to equity		
Deferred tax assets	-	442
	CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
<i>Deferred tax assets not recognised (tax losses)</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Unutilised tax loss/tax credit incurred in the US ¹		
Opening balance	69	-
Incurred during the year	567	69
Total deferred tax assets not recognised	636	69

¹ The Group has gross carried forward losses of \$3,027,000 (2021: \$329,000), that have not been booked as deferred tax assets. These losses relate to costs incurred by the Group in the US. These losses may be utilised only against US derived taxable income.

NOTE 7. INCOME TAX (CONTINUED)

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Employee benefits	173	93
Accrued expenses	26	27
Capitalised website and apps costs	28	(34)
IPO costs	476	660
Share based payments	47	-
Deferred tax asset	750	746
Movements:		
Opening balance	746	111
Credited to equity	-	442
Credited to profit or loss	4	193
Closing balance	750	746

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Income tax refund due	1,013	-

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Income tax payable	-	1,155

NOTE 8. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current assets		
Cash at bank	45,406	54,472
Term deposits	1,661	1,432
Other cash	201	200
	47,268	56,104

NOTE 9. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current assets		
Trade receivables	110	-
Other receivables	522	188
	632	188

The Group has recognised a loss of \$nil (2021: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

NOTE 10. OTHER ASSETS

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current assets		
Prepayments	721	483
Security deposits	29	1
Other current assets	37	87
	787	570
Non-current assets		
Bookmaker's deposits	94	94

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Non-current assets		
Plant and equipment - at cost	757	388
Less: Accumulated depreciation	(222)	(118)
	535	270
Motor vehicles - at cost	272	173
Less: Accumulated depreciation	(56)	(31)
	216	142
	751	412

RECONCILIATIONS

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	PLANT AND EQUIPMENT	MOTOR VEHICLES	TOTAL
CONSOLIDATED	\$'000	\$'000	\$'000
Balance at 30 June 2020	41	164	205
Additions	252	-	252
Depreciation expense	(23)	(22)	(45)
Balance at 30 June 2021	270	142	412
Additions	369	99	468
Depreciation expense	(104)	(25)	(129)
Balance at 30 June 2022	535	216	751

NOTE 12. RIGHT-OF-USE ASSETS

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Non-current assets		
Land and buildings - right-of-use	1,776	1,309
Less: Accumulated depreciation	(679)	(363)
	1,097	946

The Group leases land and buildings for its offices under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group has options to extend its leases in Darwin and Denver. These options are at the Group's discretion. The Group currently does not intend to exercise these options. In the event these options were exercised by the Group, the renewals are subject to market review at the expiry of the initial terms.

RECONCILIATIONS

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

	CONSOLIDATED
	LAND AND BUILDINGS
	\$'000
Balance at 1 July 2020	89
Additions	953
Depreciation expense	(96)
Balance at 30 June 2021	946
Additions	467
Exchange differences	(1)
Depreciation expense	(315)
Balance at 30 June 2022	1,097

For other lease related disclosures, refer to the following:

- note 6 for details of depreciation on right-of-assets, interest on lease liabilities and other lease expenses;
- statement of financial position for lease liabilities at the end of the reporting period;
- note 23 for undiscounted future lease commitments; and
- statement of cash flows for repayment of lease liabilities.

NOTE 13. INTANGIBLES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Non-current assets		
Website and apps - at cost	4,883	499
Less: Accumulated amortisation	(416)	(90)
	4,467	409
Patents and trademarks - at cost	44	19
Licencing - at cost ¹	1,309	-
	5,820	428

1. Relates to US licences acquired during the year.

RECONCILIATIONS

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

	WEBSITE AND APPS	TRADEMARKS	LICENSING	TOTAL
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	6	17	-	23
Additions	409	2	-	411
Amortisation expense	(6)	-	-	(6)
Balance at 30 June 2021	409	19	-	428
Additions	4,384	25	1,309	5,718
Amortisation expense	(326)	-	-	(326)
Balance at 30 June 2022	4,467	44	1,309	5,820

NOTE 14. TRADE AND OTHER PAYABLES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current liabilities		
Trade payables	5,332	3,786
Pending bets	303	122
Other payables	1,035	1,755
	6,670	5,663

Refer to note 23 for further information on financial instruments.

NOTE 15. BORROWINGS

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current liabilities		
Chattel mortgage on motor vehicles	111	35
Non-current liabilities		
Chattel mortgage on motor vehicles	-	111

Refer to note 23 for further information on financial instruments.

ASSETS PLEDGED AS SECURITY

The chattel mortgage is secured over the motor vehicles of the Group.

NOTE 16. LEASE LIABILITIES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current liabilities		
Lease liability	378	211
Non-current liabilities		
Lease liability	794	737

Refer to note 23 for further information on financial instruments.

NOTE 17. EMPLOYEE BENEFITS

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current liabilities		
Annual leave	270	146
Non-current liabilities		
Annual leave	270	145
Long service leave	95	70
	365	215

AMOUNTS NOT EXPECTED TO BE SETTLED WITHIN THE NEXT 12 MONTHS

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Employee benefits obligation expected to be settled after 12 months	270	145

NOTE 18. PROVISIONS

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current liabilities		
Short term cash incentives	650	-

SHORT TERM CASH INCENTIVES

This provision represents the value of cash incentives payable to employees should they achieve their specified performance targets.

MOVEMENTS IN PROVISIONS

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	SHORT TERM CASH INCENTIVES
CONSOLIDATED - 2022	\$'000
Carrying amount at the start of the year	-
Additional provisions recognised	650
Carrying amount at the end of the year	650

NOTE 19. CLIENT DEPOSITS ON HAND

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Current liabilities		
Client deposits on hand	3,608	2,605

Client deposits represents monies held on behalf of customers to facilitate betting. Client deposits are interest free and refundable to clients on demand.

NOTE 20. ISSUED CAPITAL

	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED
	2022	2021	2022	2021
	SHARES	SHARES	\$'000	\$'000
Ordinary shares - fully paid	200,109,649	200,109,649	47,806	47,806

MOVEMENTS IN ORDINARY SHARE CAPITAL

DETAILS	DATE	SHARES	ISSUE PRICE	\$'000
Balance	1 July 2020	100		-
Shares issued as consideration for the legal acquisition of BlueBet Pty Ltd	28 June 2021	156,250,000	\$0.00	-
Shares issued at IPO	28 June 2021	70,175,439	\$1.14	80,000
Pre-IPO selldown of shares	28 June 2021	(26,315,790)	\$1.14	(30,000)
Elimination of the shares acquired in BlueBet Pty Ltd	28 June 2021	(100)	\$0.00	-
Transaction costs		-	\$0.00	(2,194)
Balance	30 June 2021	200,109,649		47,806
Balance	30 June 2022	200,109,649		47,806

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

SHARES UNDER VOLUNTARY ESCROW

The total number of shares subject to voluntary escrow is 129,934,894. These shares are subject to various conditions which prevent the escrowed shareholders from dealing in their escrowed shares within the first two years of the company being listed, in this case up to 29 June 2023.

SHARE BUY-BACK

There is no current on-market share buy-back.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

NOTE 21. RESERVES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Foreign currency reserve	237	-
Share-based payments reserve	3,124	534
	3,361	534

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.

SHARE-BASED PAYMENTS RESERVE

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

MOVEMENTS IN RESERVES

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

	FOREIGN CURRENCY TRANSLATION	SHARE-BASED PAYMENTS
CONSOLIDATED	\$'000	\$'000
Balance at 1 July 2020	-	-
Cash received for options purchased by participating employees	-	534
Balance at 30 June 2021	-	534
Foreign currency translation	237	-
Share-based payments	-	2,590
Balance at 30 June 2022	237	3,124

NOTE 22. DIVIDENDS

Dividends paid during the financial year were as follows:

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Dividends paid/payable relating to the financial year	-	2,564

NOTE 23. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of wagering liabilities and liquidity.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

MARKET RISK

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The Group operates in the United States of America and is exposed to foreign currency exchange rate risk arising from foreign currency exposures to the US dollar.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	ASSETS		LIABILITIES	
	2022	2021	2022	2021
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
US dollars	5,624	63	743	67

The Group had net assets denominated in foreign currencies of \$4,881,000 (assets of \$5,624,000 less liabilities of \$743,000 as at 30 June 2022 (2021: net liability of \$4,000 (\$63,000 assets less liabilities of \$67,000)). Based on this exposure, had the Australian dollars weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Group's foreign currency translation reserve for the year would have been \$757,931 lower/\$757,931 higher (2021: \$400 lower/\$400 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The Group has nil foreign exchange gain recognised in profit & loss for the year (2021: \$2,000). A 10 %weakening/strengthening in the Australian dollar would have \$0 impact on the current year profit and loss (2021: \$200).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

NOTE 23. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

REMAINING CONTRACTUAL MATURITIES

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	WEIGHTED AVERAGE INTEREST RATE	1 YEAR OR LESS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL
CONSOLIDATED -2022	%	\$'000	\$'000	\$'000	\$'000	\$'000
Non-interest bearing						
Trade payables	-	5,332	-	-	-	5,332
Pending bets	-	303	-	-	-	303
Other payables	-	1,035	-	-	-	1,035
Client deposits on hand (on demand)	-	3,608	-	-	-	3,608
Interest-bearing - variable						
Lease liability	5.00%	429	438	396	-	1,263
Chattel mortgage	4.43%	113	-	-	-	113
Total non-derivatives		10,820	438	396	-	11,654
	WEIGHTED AVERAGE INTEREST RATE	1 YEAR OR LESS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL
CONSOLIDATED -2021	%	\$'000	\$'000	\$'000	\$'000	\$'000
Non-interest bearing						
Trade payables	-	3,786	-	-	-	3,786
Pending bets	-	122	-	-	-	122
Other payables	-	1,755	-	-	-	1,755
Client deposits on hand (on demand)	-	2,605	-	-	-	2,605
Interest-bearing - variable						
Lease liability	5.00%	250	262	533	-	1,045
Chattel mortgage	4.43%	41	41	72	-	154
Total non-derivatives		8,559	303	605	-	9,467

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 24. KEY MANAGEMENT PERSONNEL DISCLOSURES**COMPENSATION**

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	CONSOLIDATED 2022 \$	CONSOLIDATED 2021 \$
Short-term employee benefits	1,668,742	994,457
Post-employment benefits	98,500	74,812
Share-based payments	857,961	-
	2,625,203	1,069,269

NOTE 25. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	CONSOLIDATED 2022 \$	CONSOLIDATED 2021 \$
<i>Audit services - Ernst & Young</i>		
Audit or review of the financial statements	315,000	250,000
<i>Other services - Ernst & Young</i>		
IPO taxation services	-	227,147
IPO due diligence and transaction support services	-	215,000
	-	442,147
	315,000	692,147

NOTE 26. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 30 June 2022 and 30 June 2021.

NOTE 27. COMMITMENTS

The Group had no commitments as at 30 June 2021.

BlueBet has signed market access agreements in a number of US states, namely Iowa, Colorado, Louisiana and Indiana. Subject to regulatory approval being received in each state, the market access agreements allow the Group to operate online sportsbooks terms of 10 years in Colorado, Louisiana and Indiana, and 5 years in Iowa (with a further 5 year option at the Group's election). Should relevant regulatory approvals be obtained, the Group will be committed to minimum payments over the terms of the market access agreements.

	<1 YEAR	1-5 YEARS	>5 YEARS
YEAR ENDING 30 JUNE 2022	\$000'S	\$000'S	\$000'S
Sponsorships	650	3,700	450

NOTE 28. RELATED PARTY TRANSACTIONS

PARENT ENTITY

BlueBet Holdings Ltd is the parent entity.

SUBSIDIARIES

Interests in subsidiaries are set out in note 30.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	CONSOLIDATED 2022 \$	CONSOLIDATED 2021 \$
Dividends paid to director ¹	-	2,564,100
Director salary and employment benefits	1,896,025	1,028,026
Lease payments for director's motor vehicle	41,241	41,242
Group/company lease liability for director's motor vehicle	111,000	146,024

1. During FY21 a loan of \$5,759,000 was extended to Michael Sullivan, then the sole director and sole shareholder. This loan was repaid in full during FY21, prior to IPO, by way of cash repayment of \$4,420,000 and a dividend declared to Michael Sullivan, as the sole shareholder, of \$1,339,000 (this dividend being included within dividends paid during the year of \$2,564,100)

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date.

TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 29. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	PARENT	PARENT
	2022	2021
	\$'000	\$'000
Loss after income tax	(4,721)	(2,559)
Total comprehensive income	(4,721)	(2,559)

STATEMENT OF FINANCIAL POSITION

	PARENT	PARENT
	2022	2021
	\$'000	\$'000
Total current assets	43,703	46,616
Total assets	44,280	47,276
Total current liabilities	519	1,495
Total liabilities	630	1,495
Equity		
Issued capital	47,806	47,806
Share-based payments reserve	3,124	534
Accumulated losses	(7,280)	(2,559)
Total equity	43,650	45,781

GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

CONTINGENT LIABILITIES

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

CAPITAL COMMITMENTS - PROPERTY, PLANT AND EQUIPMENT

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTE 30. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2022 %	2021 %
BlueBet Pty Ltd	Australia	100.00%	100.00%
BlueBet IP Pty Ltd (incorporated on 25 February 2022)	Australia	100.00%	-
BlueBet USA, Inc (incorporated on 10 March 2021)	United States of America	100.00%	100.00%
BlueBet Colorado, LLC (incorporated on 6 May 2021)	United States of America	100.00%	100.00%
BlueBet Indiana, LLC (incorporated on 7 January 2022)	United States of America	100.00%	-
BlueBet Iowa, LLC (incorporated on 6 May 2021)	United States of America	100.00%	100.00%
BlueBet Arizona, LLC (incorporated on 6 August 2021)	United States of America	100.00%	-
BlueBet Louisiana, LLC (incorporated on 4 March 2022)	United States of America	100.00%	-
BlueBet Missouri, LLC (incorporated on 24 March 2022)	United States of America	100.00%	-
BlueBet Canada (Holdings) Ltd (incorporated on 20 August 2021)	Canada	100.00%	-
BlueBet Ontario Ltd (incorporated on 20 August 2021)	Canada	100.00%	-

NOTE 31. RECONCILIATION OF (LOSS)/PROFIT AFTER INCOME TAX TO NET CASH (USED IN)/FROM OPERATING ACTIVITIES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
(Loss)/profit after income tax benefit/(expense) for the year	(6,071)	2,979
Adjustments for:		
Depreciation and amortisation	766	147
Share-based payments	2,590	-
Foreign exchange differences	237	-
IPO expenses net of tax	-	2,028
<i>Change in operating assets and liabilities:</i>		
Increase in trade and other receivables	(444)	(181)
Increase in income tax refund due	(1,013)	-
Decrease/(increase) in deferred tax assets	150	(635)
Increase in prepayments	(238)	(480)
Increase in bookmaker's deposits	-	(44)
Decrease in other operating assets	50	-
Increase in trade and other payables	2,295	2,409
Decrease in derivative liabilities	(61)	-
Increase/(decrease) in provision for income tax	(1,155)	1,046
Increase in employee benefits	274	75
Increase in other provisions	650	-
Increase/(decrease) in client deposits	1,003	1,069
Net cash (used in)/from operating activities	(967)	8,413

NOTE 32. NON-CASH INVESTING AND FINANCING ACTIVITIES

	CONSOLIDATED	CONSOLIDATED
	2022	2021
	\$'000	\$'000
Additions to right-of-use assets	467	951

NOTE 33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	CHATTEL MORTGAGE	LEASE LIABILITIES	TOTAL
	\$'000	\$'000	\$'000
Balance at 1 July 2020	181	95	276
Net cash used in financing activities	(41)	(95)	(136)
New office leases in Sydney and Darwin	-	948	948
Other changes	6	-	6
Balance at 30 June 2021	146	948	1,094
Net cash used in financing activities	(35)	(243)	(278)
New office leases in Colorado	-	467	467
Balance at 30 June 2022	111	1,172	1,283

NOTE 34. EARNINGS PER SHARE

	CONSOLIDATED 2022 \$'000	CONSOLIDATED 2021 \$'000
(Loss)/profit after income tax attributable to the owners of BlueBet Holdings Ltd	(6,071)	2,979
	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	200,109,649	156,490,327
<i>Adjustments for calculation of diluted earnings per share:</i>		
Options over ordinary shares	-	8,675,994
Weighted average number of ordinary shares used in calculating diluted earnings per share	200,109,649	165,166,321
	CENTS	CENTS
Basic earnings per share	(3.03)	1.90
Diluted earnings per share	(3.03)	1.80

As at the reporting date, the Group had 11,285,640 potential ordinary shares (including escrowed and future vesting) and 800,200 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 in the current year because they were anti-dilutive.

NOTE 35. SHARE-BASED PAYMENTS

BLUEBET LONG-TERM INCENTIVE PLAN (LTIP)

The company established the 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.

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

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
	2022	2022	2021	2021
Outstanding at the beginning of the financial year	10,285,640	\$1.14	-	-
Granted	1,000,000	\$1.12	10,285,640	\$1.14
Outstanding at the end of the financial year	11,285,640	\$1.14	10,285,640	\$1.14
Exercisable at the end of the financial year	-		-	

The weighted average remaining contractual life of options outstanding at the end of the financial year was 6 years (2021: 7 years).

BLUEBET EMPLOYEE EQUITY INCENTIVE PLAN

A share incentive plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group 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 Group. 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	NUMBER OF RIGHTS
	2022	2021
Outstanding at the beginning of the financial year	-	-
Granted	800,131	-
Outstanding at the end of the financial year	800,131	-
Exercisable at the end of the financial year	160,026	-

For the performance rights granted during the current financial 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
29/11/2021	N/A	\$1.550	\$0.00	-	-	5.00%	\$1.550
23/12/2021	N/A	\$1.465	\$0.00	-	-	5.00%	\$1.465

NOTE 36. EVENTS AFTER THE REPORTING PERIOD

On 19 August 2022 the Iowa Racing and Gaming Commission awarded BlueBet its licence to operate in the State of Iowa, USA. BlueBet is operating as ClutchBet in Iowa. ClutchBet took its first bets in Iowa on 30 August 2022.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Sullivan
Executive Chairman

30 August 2022



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working world**

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

Report on the audit of the financial report

Opinion

We have audited the financial report of BlueBet Holdings Limited ("the Company") and its subsidiaries (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 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 BlueBet Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Reliance on automated processes and controls related to wagering revenue

Why significant	How our audit addressed the key audit matter
The Group recognised wagering revenue of \$49.5m during the year (30 June 2021: \$32.4m). The Group's revenue recognition and reporting process is heavily reliant on a wagering system which utilises automated processes and controls over the capturing and recording of wagering transactions. Given the significance of the wagering system to the processing of revenue transactions, this was considered to be a key audit matter.	Our audit procedures included the following: • Assessment of the effectiveness of transaction processing controls relevant to the recognition of revenue. This included involvement from our IT specialists. • Selection of a sample of transactions from the wagering system and agreement of recorded data to evidence of the original wagering transactions. • Evaluation of the reconciliation of wagering revenue and customer deposit balances between the wagering system and the financial statements. • Analysis of movements in the wagering revenue balance relative to the prior year. • Correlation analysis of the wagering revenue balance with respect to movements in the customer deposits balance.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the BlueBet Holdings Limited 2022 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

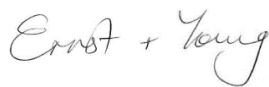
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 28 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of BlueBet Holdings Limited for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Simon Hannigan
Partner
Sydney
30 August 2022

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 20 July 2022.

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	ORDINARY SHARES		OPTIONS OVER ORDINARY SHARES	
	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED
1 to 1,000	2,319	0.63	-	-
1,001 to 5,000	2,360	3.19	-	-
5,001 to 10,000	722	2.82	-	-
10,001 to 100,000	786	11.12	8	4.14
100,001 and over	67	82.24	18	95.86
	6,254	100.00	26	100.00
Holding less than a marketable parcel	1,113	0.17	-	-

EQUITY SECURITY HOLDERS

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the twenty largest security holders of quoted equity securities are listed below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Mr Michael Sullivan	84,157,894	42.06
Mr Bill Richmond	16,241,776	8.12
Mr Duncan McRae	16,241,776	8.12
HSBC Custody Nominees (Australia) Limited	5,262,948	2.63
Seymour Group Pty Ltd	3,980,000	1.99
Mr Harry Pratt	3,898,028	1.95
Washington H Soul Pattinson and Company Limited	3,000,000	1.50
Mr Alexander Richmond	2,598,684	1.30
Mr Collin Tew	2,598,684	1.30
Mr Joseph Killeen	2,598,684	1.30
Mr Ryan Ahchee	2,598,684	1.30
Seymour Superannuation Pty Ltd (Seymourland PL Stf Splan A/C)	2,378,742	1.19
National Nominees Limited	2,245,866	1.12
Investment Holdings Pty Ltd (Investment Holdings Unit A/C)	2,000,000	1.00
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd (DRP A/C)	1,211,694	0.61
NDPM Pty Ltd (Morris Family Super Fund A/C)	1,000,000	0.50
Bettube Corporations Limited	965,000	0.48
UBS Nominees Pty Ltd	800,000	0.40
Mr David Harrison	614,035	0.31
Netwealth Investments Limited (Wrap Services A/C)	547,288	0.27
	154,939,783	77.45

UNQUOTED EQUITY SECURITIES

	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options over ordinary shares issued	11,285,641	26
Performance share rights	800,131	22

SUBSTANTIAL HOLDERS

Substantial holders in the company are set out below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Mr Michael Sullivan	84,157,894	42.06
Mr Bill Richmond	16,241,776	8.12
Mr Duncan McRae	16,241,776	8.12

VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

ORDINARY SHARES

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

SECURITIES SUBJECT TO VOLUNTARY ESCROW

CLASS	EXPIRY DATE	NUMBER OF SHARES
-	-	-

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