1. Company details

Name of entity:	BlueBet Holdings Ltd
ABN:	19 647 124 641
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	0.4%	to	49,651
Loss from ordinary activities after tax attributable to the owners of BlueBet Holdings Ltd	up	210.2%	to	(18,832)
Loss for the year attributable to the owners of BlueBet Holdings Ltd	up	210.2%	to	(18,832)

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 $18,832,000 (30 June 2022: $6,071,000).

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	
	2023 $'000	2022 $'000
(Loss)/profit after income tax	(18,832)	(6,071)
Add: Interest expense	517	55
Add: Depreciation and amortisation	2,773	766
Add: Income tax	(2,736)	(234)
EBITDA	(18,278)	(5,484)

3. Net tangible assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Net assets	28,852	45,366
Less: Intangible assets (including right-of-use assets)	(25,390)	(6,917)
Net tangible assets	3,462	38,449
Number of ordinary shares on issue	200,201,228	200,109,649

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.73	19.21

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

There were no dividends paid, recommended or declared during the previous financial period.

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 2023 is attached.

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12. Signed

Signed ______________________________ Date: 31 August 2023

Michael Sullivan
Executive Chairman
Sydney

BlueBet

ANNUAL REPORT

30 June 2023

BlueBet Holdings Ltd
ABN 19 647 124 641

CONTENTS

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 **30 November 2023**. 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) 28 September 2023**.
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 FY23, a year marked by strategic execution.

BlueBet's strategy and the opportunities we have in Australia and now the US, where a capital-lite market entry has been successful, is truly exciting. I am delighted with the progress made this year and what is ahead.

The strategic and operational progress made in FY23 by our team, under the leadership of our CEO Bill Richmond, have positioned us for long-term, sustainable growth.

FY23 saw continued market share growth for BlueBet, as we continued to outperform in an Australian market that saw increased and aggressive competition and a return to normal activity following the Covid period.

From a strategic execution perspective, maintaining strong margins through a turbulent economic period and winning domestic market share has been critical to our success, as has the methodical execution of our staged approach to entering and expanding in the US.

The growth we've experienced in the emerging US market has been driven by a fundamentally sound and sensible capital-lite strategy, underpinned by our proprietary technology.

We have allocated appropriate investment in our proprietary technology platform, which is key to driving long-term efficient scalability, particularly in the US where we are delivering on our opportunity and strategy.

BlueBet is a challenger brand founded on the principles of thinking differently and delivering on our commitments. As such, it has been rewarding to see the execution of much of the initial phase of our US market entry with first bets taken in Iowa and Colorado, with Louisiana and Indiana to come in FY24.

When all markets are live, we will have access to over 20 million American consumers and alongside our multi-jurisdictional proprietary technology and global betting platform, this positions us to commence discussions with potential partners for stage 2 of our US market entry, delivering our SportsBook-as-a-Solution offering.

We told the market we had a defined strategy, and the team has delivered. It is expected that legal online sports betting will be available in more than 30 US states by the end of 2023 and to almost the entire population by 2026. Having a clear strategy and proposition is critical to succeeding, which we do.

Our enthusiasm for the SportsBook-as-a-Solution offering remains strong. This offering allows our partners to benefit from BlueBet's market-leading technology and expertise in operating sportsbooks that resonate with consumers.

In Australia, we've faced increased competition and a tightening of consumer spending across the economy head on by building brand equity and loyalty through strategic advertising and marketing efforts. We have prioritised spend towards high-growth, cost-effective mobile categories with a specific focus on app search advertising, in-app advertising and mobile display advertising as well as long-term strategic partnerships with major national sports, media, and casino brands while also maintaining a strategic presence on TV, radio and online.

Moving forward we are committed to this form of targeted media investment; moving from metro linear TV to focus on high return on investment targeted BVOD, digital video and rich mobile formats.

From a technology and investment perspective, FY23 saw BlueBet continue to put the bettor front of mind with continued investment in Product, and new App releases to further improve the user experience.

We are continuing to invest in technology through the BlueBet Global Platform which is scheduled for completion in Q1 FY23 which will centralise many functions, drive efficiencies and provide a strong platform to scale in Australia and the US.

Our focus and investment in product and technology through the year was reflected in a record number of active customers, a 25.5% increase to 66,929.

"BlueBet was founded by career bookmakers that understand providing bettors with market leading product is essential, and has been the primary reason for impressive market share expansion in Australia and the driver of our early success in the US."

Our journey of constant improvement continues, with further investment in the Australian business. We believe we're exceptionally well placed to attract more customers in Australia and continue to claim greater market share.

FY23 was a strategic step change year for our company, and it was achieved in challenging conditions. While delivering numerous strategic initiatives the Company faced increased domestic competition and an uncertain economic environment, which highlights the strength of the proposition and the strength of management.

The team has been determined and focused on the prize and are to be commended for executing in challenging circumstances.

Looking ahead, we continue to face uncertain economic environments in Australia and the US, but with our strategy and platforms in place, we expect to continue to outperform the market and grow share.

We will claim additional share by keeping punters front of mind and investing in our product and Global Platform to drive scalability and operational efficiencies.

In closing, I would like to thank our management and the wider BlueBet team for their hard work and dedication to product and strategy execution this year. We have a wonderful opportunity in front of us and I am more excited than ever to be on the BlueBet journey.

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

LETTER FROM THE CEO

Dear fellow shareholder,

FY23 has been a year of significant progress for BlueBet, marked by continued market share growth, the delivery of our strategic priorties at home and in the United States, and our outperformance in a competitive and uncertain economy.

As a mangement team, our focus has been on delivering on the promise of this business, and I am proud of what we achieved in FY23 and the platform for growth it provides us.

We invested in programs that we know will deliver long-term efficient scalability, primarily through our Global Platform and dedication to Product. This investment gives us a platform to keep winning market share and improve efficency in all markets we operate in. Pleasingly, I note that our market presence expanded by two markets in FY23 with bets taken in Colorado and Iowa.

The exciting thing about BlueBet is what lies ahead, and as a management team, recognising how we're going to achieve it. Our strategy remains unchanged, and we hold the ultimate conviction that it is the right one.

We have a well defined path to growth and scale through our dual-growth strategy. This strategy is focused, enabling us to increase our market share in Australia while entering the US online sports betting market with a "Capital Lite" Two-Stage Strategy. This considered approach to growth and scale positions us for sustainable success and allows us to capitalise on the considerable market opportunity created by legislative reform that legalised online sports wagering in the US.

I am proud of the progress made in FY23, with our B2C US brand, ClutchBet, going live in Iowa and Colorado.

The receipt of these bets is the culmination of a lot of hard work and dedication, but it is also just the beginning of what promises to be an incredibly exciting journey. Soon, we will be taking bets in Louisiana and Indiana, as part of stage 1 of "Capital Lite" market entry strategy. These four states will provide access to a combined population of more than 20 million people, almost as many as the whole of Australia.

With the successful delivery of stage 1, we are now in the process of rolling out stage 2, which will focus on providing partners with BlueBet's sportsbook management expertise through our Sportsbook-as-a-Solution offering. We've made good progress on delivering a consumer facing brand in the US and we're looking forward to developing the B2B component of the strategy to complement ClutchBet and enhance our value proposition in the US.

While it is easy to focus on the emerging opportunity in the US, I am proud of our Australian business and the local team that continues to win more than its fair share of the market by thinking creatively and strategically about customer acquisition.

At home, FY23 saw BlueBet prioritise tactical and seasonal marketing investment in H1 in a highly competitive market. This supported another period of positive operating cash flow in H2.

Despite unprecedented interest rate rises and softening consumer sentiment across the Australian economy, BlueBet customers placed over 11.6 million bets in FY23, delivering a Turnover of $536.6 million, up 4.8% on FY22.

Our strategic use of marketing and advertising, as well as investments in our technology and user experience has supported this performance. Cost per First Time Depositor (CFTD) saw its peak in H1 FY23, amid aggressive competition from a new entrant. CTFD subsequently decreased due to efficiencies in paid performance media channels.

Our media mix centres on customer retention and acquisition, as we executed on partnerships with NRL Dolphins and BlueBet Stadium, focusing on content development. In a competitive market, this emphasis on content creation and creative marketing solutions will be important for us as we grow.

We're looking forward to beginning our relationship with prominent media personality and ex-NRL player Matt Nable to progress this strategic shift in FY24. We truly understand our customers and our confidence in this approach and direction will better serve them seeing us continue to improve our retention rates and win further market share.

"We were delighted to take bets in Colorado and Iowa during the period, and we're looking forward to Louisiana and Indiana in FY24. When all markets are live, we will have access to over 20 million American consumers"

From a product and technology development perspective, FY23 was a game changer. We meaningfully invested in the development of our in-house scalable technology platform, resulting in the launch of new products and enhancements. Some of the highlights include our website and mobile app rebrand, integration of Racing & Sports form, tips and race preview integration, and optimisation of Bluey's Special markets. Critically, we upgraded our payment system to Braintree, while also integrating Apple Pay, Google Pay and PayPal while also enabling instant deposits and withdrawals through our New Payments Platform (NPP) integration.

These upgrades and new products are about creating a best-in-class user experience with our customer growth and retention indicating success.

The launch of our Multi-Jurisdictional App was another win for us FY23. This innovation drives efficiency by enabling the development of new products and features only once, that can then be deployed to multiple jurisdictions. This ensures a consistent user experience across states.

Management is dedicated to constant improvement and a disciplined approach to execution. In Australia, we expect continued positive Operating Cash Flow through ongoing marketing efficiencies and growth in Active Customers. After seeing increased levels of competition in FY23, we expect the Australian market to be materially less competitive in H1 FY24 than previous years, with margins expected to normalise. We expect to benefit in this period due to the exceptional work that was done in FY23 on product and strategy.

We have a clear strategy for growth in Australia and the US, but as career bookmakers, we know that product is everything in this industry and it is our key differentiator. Our commitment to investing in the BlueBet Global Platform drives operational efficiencies whilst front end enhancements improves the user experience. The enhancements in our core product will set the business up for efficient growth in Australia and the US once this is delivered.

I would like to thank our Executive Chair, Michael Sullivan, and the board for their support, expertise and vision. We're all very proud of the business we have built and are excited for the future.

Kind regards,

Bill Richmond
Chief Executive Officer

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 2023.

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

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

The loss for the Group after providing for income tax amounted to $18,832,000 (30 June 2022: $6,071,000).

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	
	2023 $'000	2022 $'000
(Loss)/profit after income tax	(18,832)	(6,071)
Add: Interest expense	517	55
Add: Depreciation and amortisation	2,773	766
Add: Income tax	(2,736)	(234)
EBITDA	**(18,278)**	**(5,484)**

REVIEW OF OPERATIONS FOR THE FULL YEAR TO 30 JUNE 2023

It has been a year of continued market share growth for BlueBet, as the Company continued to outperform in a competitive Australian market, despite cycling COVID-assisted highs of the prior year and the entry of an aggressive new competitor. The Company continued to invest in its proprietary technology platform, which is key to driving long-term efficent scalability. In the US, ClutchBet went live in its first two markets of Iowa and Colorado, and the additions of Louisiana and Indiana in FY24 will provide access to a combined population of more than 20 million people to execute stage 1 of BlueBet's Capital Lite US market entry strategy. Discussions are continuing with a number of potential B2B partners which have expressed interest in BlueBet's scalable technology and proven sportsbook management capabilities which when secured will provide an accelerated path to profitability in that market.

The Australian business delivered another strong result in FY23, which saw BlueBet bring forward tactical and seasonal marketing investment in H1 in a very competitive market. The Australian business once again delivered positive operating cash flow in H2, as competition abated. BlueBet customers placed over 11.6 million bets in FY23, delivering Turnover of $536.6 million, up 4.8% on the prior year.

An EBITDA loss of $18.1 million was in line with expectations, with BlueBet continuing to invest its IPO funds towards Australian marketing, investment in its core technology platform, US market entry and non-cash employee expenses relating to share-based payments.

A Net Loss After Tax of $18.6 million was in line with the EBITDA result.

EARNINGS SUMMARY

A $ MILLION	FY23	FY22	CHANGE %
Turnover	536.6	511.9	▲ 4.8%
Wagering Revenue	49.0	49.7	▼ 1.3%
EBITDA	(18.3)	(5.5)	▼ 233.3%
(Loss) / Profit after Income Tax	(18.8)	(6.1)	▼ 210.2%

KEY HIGHLIGHTS

Key highlights for the reporting period are set out below:

Group Highlights

- Strong trading performance in Australia, with continued market share growth and robust margins, with record quarterly revenue and Net Win in Q4 and a strong margin of 11%.
- The Australian trading business was operating cash flow positive in H2 after making making additional seasonal and tactical marketing investments in H1.
- US B2C stratgic progress with ClutchBet approved in three states and scalable multi-jurisdictional app launched.
- Strategic investment in Low6, with the first free to play game released in the US for the Super Bowl.
- Significant investment in technology and product, with BlueBet Global Platform to drive scalability and operational efficiencies from FY24.
- US B2B Sportsbook-as-a-Solution model key to achieving profitable scale in US; discussions underway with multiple interested partners.

Strong Performance Metrics

- 22.7% increase in Active Customers to 65,415, up from 53,328 for the 12 months to 30 June 2022.
- Top line and market share growth continues, with Turnover up 3.5% to $530.0m driven by strong growth in sport and mobile.
- Global Bet Count up to 11.6 million, an 9.1% increase on the prior year.

Brand & Marketing

- Cost per First Time Depositor (CFTD) peaked in H1 amid aggressive competition from a new entrant, before subsequently reducing due to efficiencies in paid performance media channels.
- NRL Dolphins and BlueBet Stadium (NRL Penrith Panthers) sponsorships with a focus on content development, brand activation & customer acquisition.
- Developed partnerships with leading sports culture podcasters (Bloody Brilliant Beers, Alpha Blokes, The Reggies, 200Plus) to drive exposure and referral acquisition.
- Improved customer retention through product enhancements, multivariate testing and CRM.
- Securing of well-known Australian media and sports personality Matt Nable as brand ambassador to spearhead the new brand campaign in FY24.

North America Market Entry

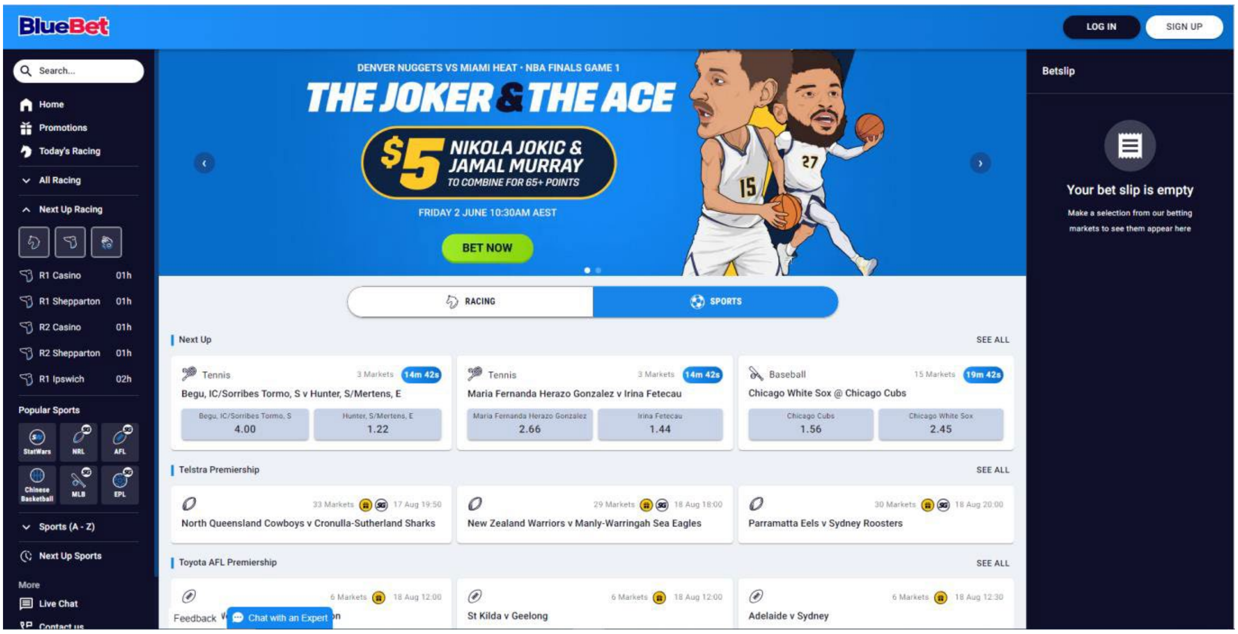
- Proprietary technology platform certified and approved by Gaming Laboratories International (GLI) after a successful verification and testing process.
- Launched online sports betting operations in Iowa under ClutchBet brand on 29 August 2022
- Launched ClutchBet online sports betting operations in Colorado on 26 April 2023, coinciding with approval and rollout of multi-jurisdictional website and mobile apps.
- Response from US B2C customers has been positive as technology is adapted to fit the US market.
- Localised marketing approach gaining traction with 2-3 local sponsorships across professional and recreactional sport leagues being secured in each market.
- Submissions for both Louisiana and Indiana are progressing well, with Louisiana expected to go-live in October and Indiana Q3 FY24.
- Post period end, ClutchBet launched Hyperlive which greatly increases in-play betting markets and enhances the experience for our customers.

In-House Product and Technology Development

The Company has continued to invest in the development of its in-house scalable technology platform, resulting in the launch of new products and enhancements. These include:

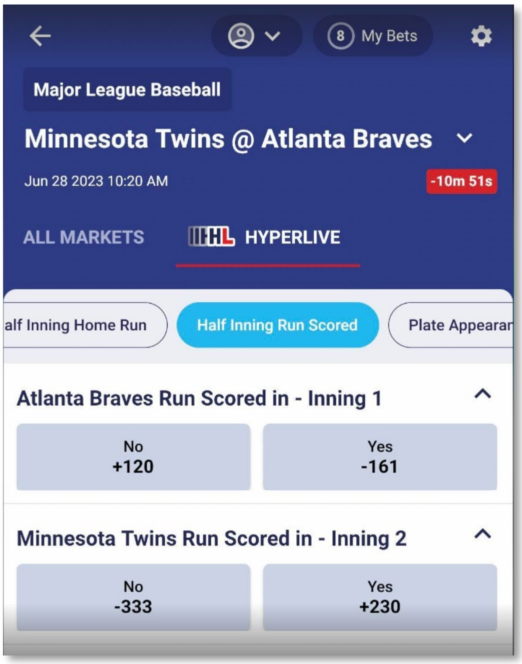
- Website and mobile app rebrand (launched post period end).
- Integration of Racing & Sports form, tips and race preview integration.
- Optimisation of Bluey's Special markets.
- Launch of market exclusive StatWars betting product.
- Same Game Multi (SGM) Extra providing the ability to combine more than one SGM in a multi.
- Upgrade Payment system to Braintree.
- Integration of Apple Pay, Google Pay and PayPal.
- New Payments Platform (NPP) integration which allows instant deposits and withdrawals.
- Salesforce integration including Service Cloud and Marketing Cloud which enables personalisation functionality.

- Biometrics login.
- My Bet enhancements which include Ticks/Crosses summary for multis, Countdowns, Event linking, Bet Sharing and Bet Again buttons
- Improved search functionality



In the US we have also included the following:

- Launched Multi-Jurisdictional App which through the use of geolocation services the app works by serving up a version of the app, based on the location of the customer, from a single code base. The key benefits of this being efficiency through being able to develop new products and features once, and deploy to many jurisdictions. It also ensures that the user experience is consistent across states.
- Post period end the launch of Hyper-Live which is ClutchBet's micro live betting product.



Throughout FY23, the Company invested in the development of BlueBet's Global Platform. This is the new back end platform which will e delivered in FY24. Phase 1, to be delivered in Q1 FY24 provides global risk management capabilities which include:

- The ability to view risk position globally and by jurisdiction from a central console.
- The ability to set pricing from a single console, globally or by jurisdiction.
- Event settling for all jurisdictions from a central point.
- The ability to create markets and events once and then deploy to all jurisdictions.
- Full functional redundancy allowing all features to be run from any satelite in the group.

KEY PERFORMANCE INDICATORS – GROUP

	FY23	FY22	PCP
Turnover / Handle	**536.5**	**511.9**	**▲ 4.8%**
AUS	530.0	511.9	▲ 3.5%
US	6.5	-	-
Gross Win	**71.6**	**70.5**	**▲ 1.5%**
AUS	71.2	70.5	▲ 1.0%
US	0.4	-	-
Net Win	**53.9**	**54.6**	**-1.3%**
AUS	54.1	54.6	-0.9%
US	(0.2)	-	-

KEY PERFORMANCE INDICATORS - AUSTRALIA

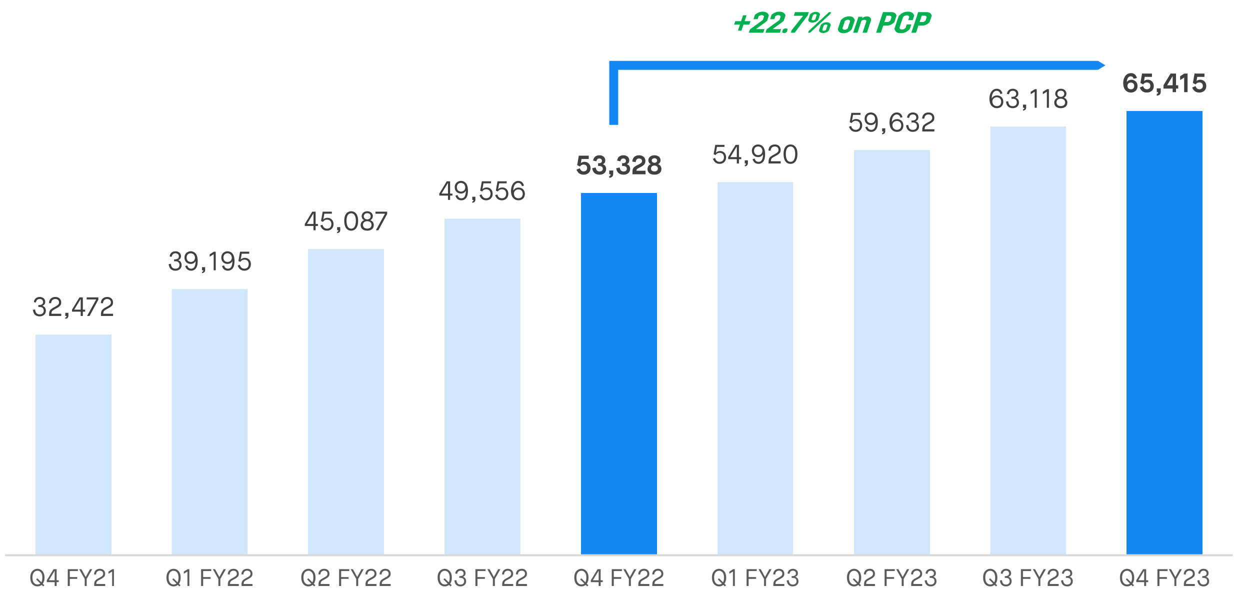
BlueBet delivered strong results and grew share having cycled strong comparisons in the prior year with COVID lockdowns as well as increased competition through a new entrant in half 1 FY23.

	FY22	FY23	PCP
ACTIVE CUSTOMERS	53,328	65,415	+22.7%
TURNOVER	$511.9m	$530.0m	+3.5%
GROSS WIN	$70.5m	$71.2m	+1.0%
GROSS WIN (%)	13.8%	13.4%	-0.4pp
NET WIN	$54.6m	$54.1m	-0.9%
NET WIN (%)	10.7%	10.2%	-0.5pp

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

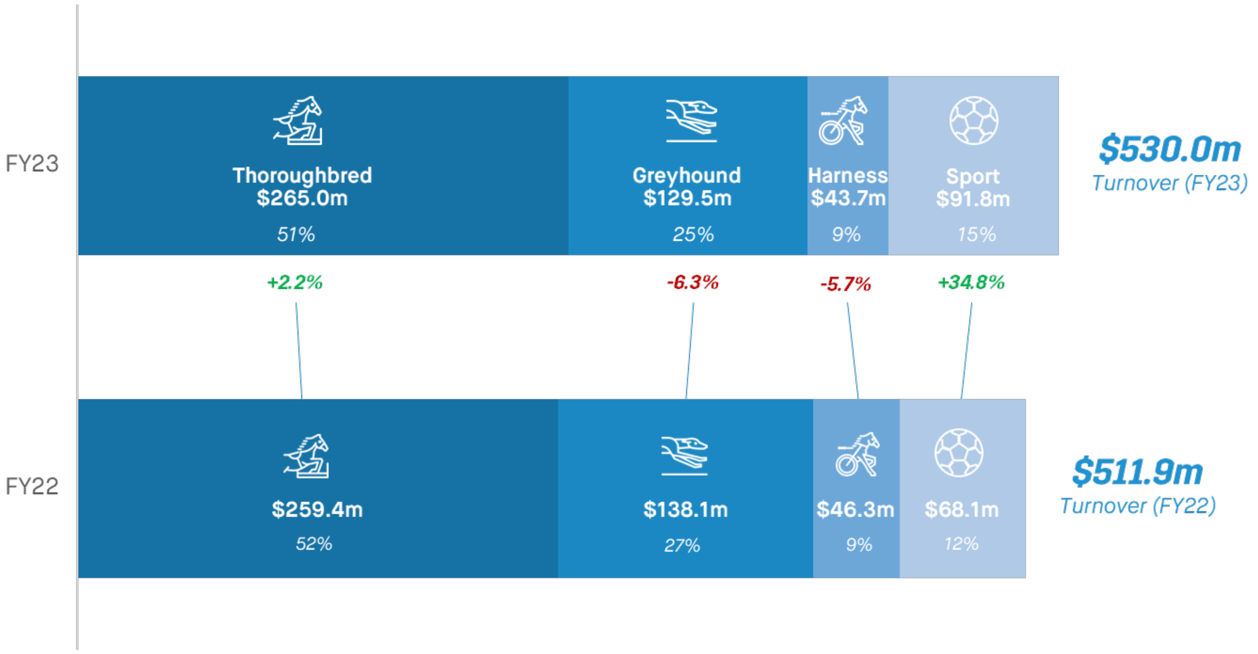
ACTIVE CLIENTS

For the 12 months to 30 June 2023, BlueBet had 65,415 Active Customers, defined as customers who have placed a bet during that 12-month period. Active Customers increased by 12,087 (or 22.7%) – with effective marketing deployment continuing to increase market share.



TURNOVER BY PRODUCT

Turnover grew 3.5% driven by impressive growth on Sport where Turnover increased 34.8% with bet count increasing 53.9%. Turnover across all major sports was up but it was particularly impressive across American Football (+73.4%), Basketball (+45.5%), Rugby League (+39.3%) and Soccer (+71.0%). Thoroughbred increased 2.2% which outperformed the Market.



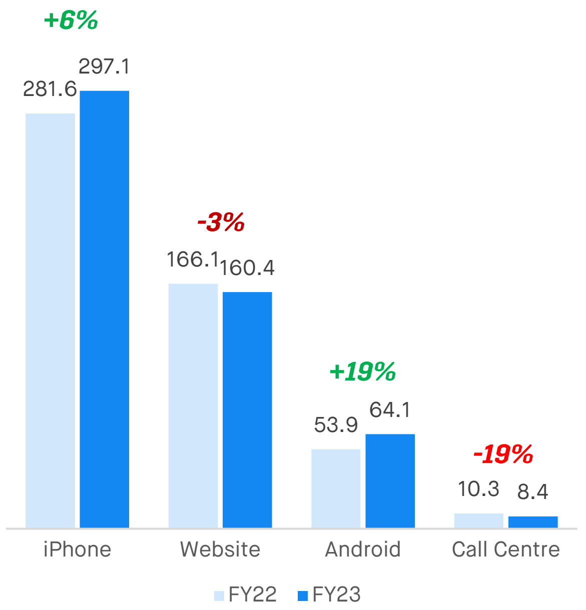
Note: Turnover amounts include GST

TURNOVER & NET WIN BY CHANNEL

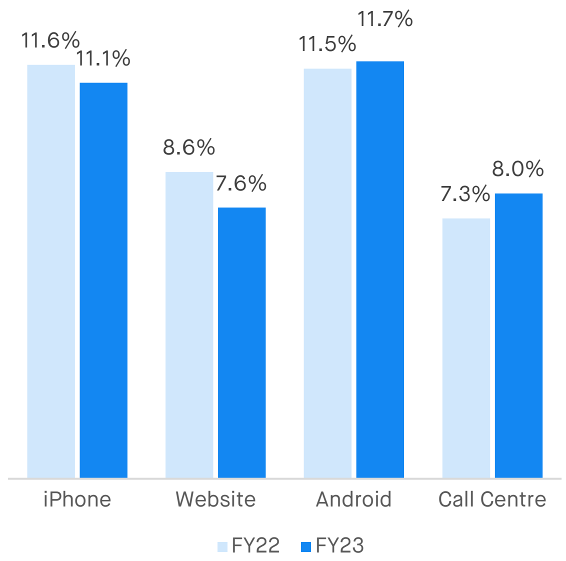
In FY23, 68% of Turnover and 74% of Bet Count was driven by from mobile apps with both metrics increasing 2pp on the prior year. Mobile apps continue to be the fastest growing channel, with iPhone turnover growing by 6% and Android growing by 19% over the prior year. Importantly, the mobile channel also delivers the highest margins, with the Average Net Win margin through our mobile apps of 11.2% compared to 7.7% through other channels.

The significant investment in technology in FY23 has the business well positioned to drive continued usage of this higher margin mobile channel.

Turnover ($ million) by channel (FY22 – FY23)



Net Win Margin % by channel (FY22 – FY23)



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 and drive customer value through:

- Enhanced CRM tools
- Disciplined and segmented promotional targeting
- Increased focus on quality paid digital acquisition channels
- Product enhancements maximise customer engagement
- Improving brand equity

In FY23, BlueBet exited the year in Q4 with a Cost per First-Time Depositor (CFTD) of $362 which delivered an attractive Annual Customer Value (AVC) to CFTD ratio of 2.3x. CFTD has peaked with FY24 to focus spend to more efficient channels to optimise marketing spend on key performing and measurable channels.

Advertising and marketing expense in FY23 increased by 24.5% to $17.3 million, with the Company focused on continuing to build brand equity and deploying further resources towards:

- Above the line spend through
    - BlueBet Kind of Guy"onmi-channel brand campaign running across a variety of formats, including Seven Network NFL broadcast
    - Focused spend on performance and acquisition metrics for all media placement
    - Sponsorship of Dolphins NRL team and BlueBet Stadium (NRL Panthers)
- Below the line spend through
    - Increased paid digital media investment
    - Tactical promotions on key acquisition events including footy finals and Spring and Autumn Racing carnivals
    - Outbound campaigns to optimise client engagement to convert and reactivate customers

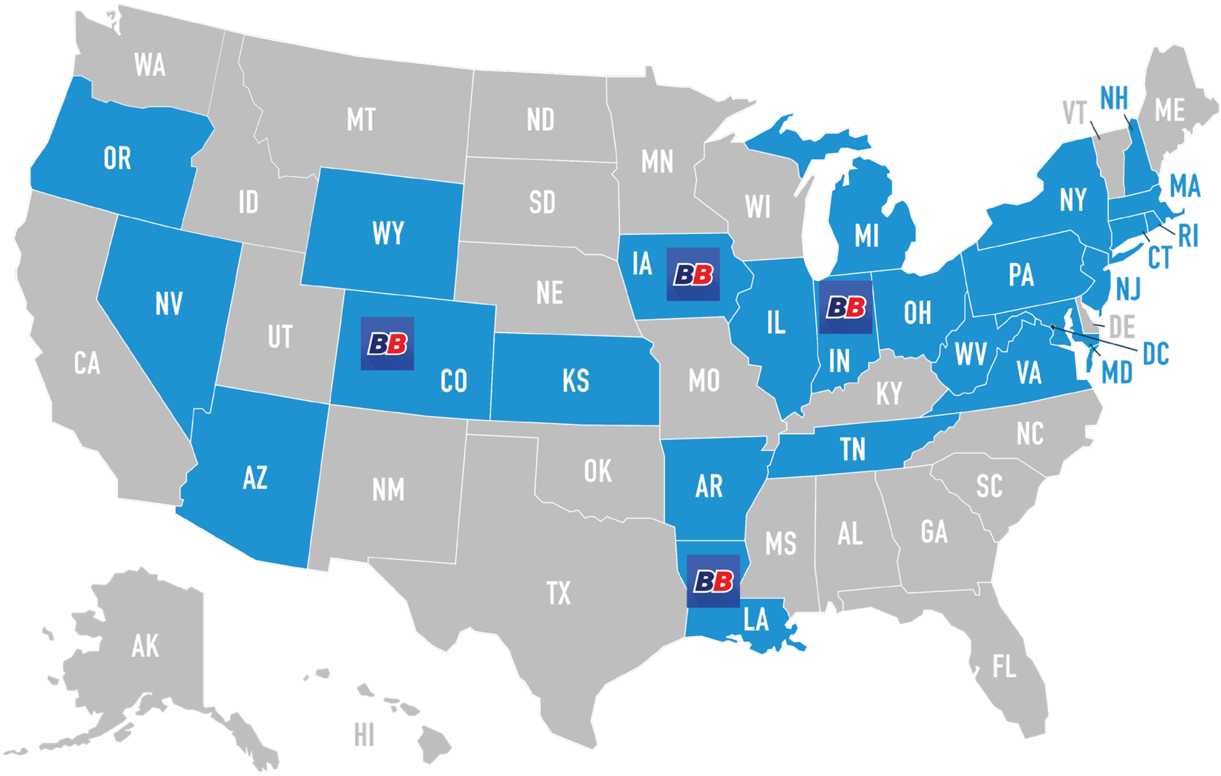
Ahead of the Spring Racing Carnival and NFL/AFL Finals BlueBet will a new brand campaign which will include a refreshed BlueBet logo, brand design, campaign assets and website and app front end design. It will feature acclaimed Australian actor and ex professional sportsman, Matt Nable. To drive continued efficiencies and to reduce CFTD media investments will shift from metro linear TV to targeted BVOD, digital video and rich mobile formats.

NORTH AMERICA MARKET ENTRY STRATEGY

Historically, sports betting in the US has been 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, 21 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 (North Carolina, Kentucky, Maine, Vermont) are awaiting further action by regulators before going live.

LEGAL SPORTS BETTING IN THE USA



As detailed in BlueBet's Prospectus, the Company's "Capital Lite" market entry strategy is a two staged approach.

STAGE 1 PROGRESS – B2C ENTRY OF CLUTCHBET

Stage 1 is entry into the US market as a B2C operator. Four states have been targeted for this initial market entry as a straight B2C wagering provider, establishing an initial footprint to prove the capability of the BlueBet team and product offerring in the US market. 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.

Key achievements to date include:

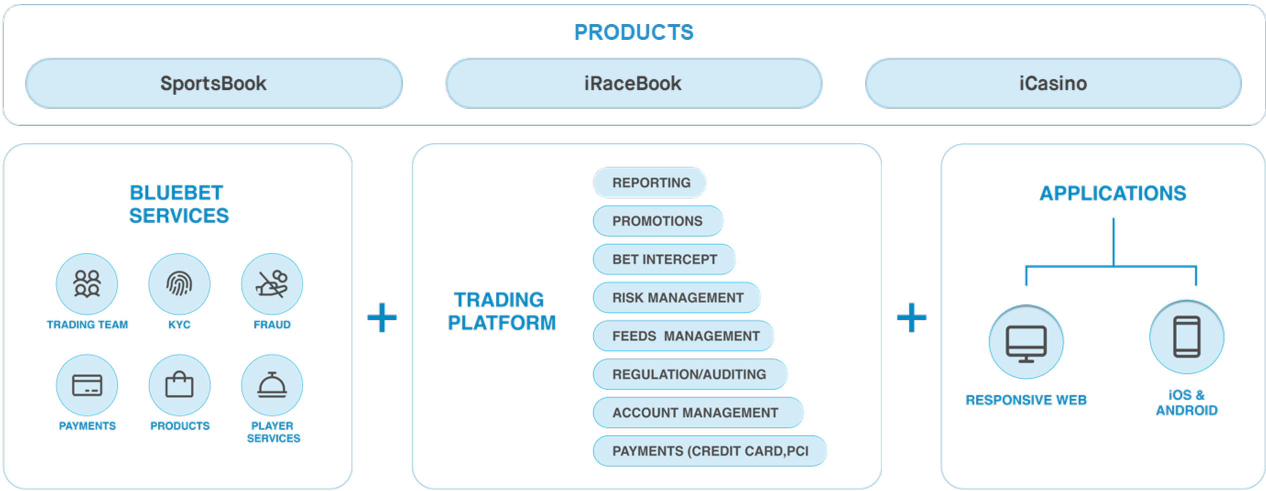
- Market access gained in 4 states (Iowa, Colorado, Louisiana and Indiana) provides the platform to complete Stage 1 of "Capital Lite"US entry strategy.
- Head office established in Denver, CO with key hires in place and fully resourced to execute Stage 1
- GLI certified and approved BlueBet's proprietary tchnology platform and mobile apps
- On 29 August 2022, first bets were taken in Iowa
- On 26 April 2023, first bets were taken in Colorado
- With the Colorado platform approved, the Company now has multi-jurisdictional capability

- Significant investment in product enhancements since the initial go-live delivering improved user experience.
    - Deployed HyperLive, ClutchBet's micro in-play betting product which gives our customers access to thousands of more high margin in-play markets.
    - Betting interface improvements
    - Improved showcasing of proprietary content for the upcoming NFL season
    - Live Scoreboard visualisations for popular sports
    - C-Boost providing boosted odds on parlay wagers
    - Deployment of proprietary Clutch Clash product to drive improved margins
- Execution of ClutchBet's hyper localised marketing strategy with a number of local sponsorships secured in both Iowa and Colorado.
- Continue to gain traction in both Iowa and Colorado and progressing towards approval in both Louisiana (expected October 2023) and Indiana (January 2024)

STAGE 2 PROGRESS – B2B ENTRY OF SPORTSBET-AS-A-SOLUTION

Ongoing investment in the Company's proprietary technology platform continues to underpin its US expansion. With completion of the BlueBet Global Platform expected in Q1 FY24, the Company will be ready to move to the next stage of its 'Capital Lite' US market entry, with the Sportsbook-as-a-Solution offer for B2B partners. Discussions remain ongoing with several potential partners, with the quality of BlueBet's proprietary technology platform a key selling point.

- BlueBet offers a full turnkey Sportsbook-as-a-Solution for B2B partners, providing access to decades of experience running profitable sportsbooks and developing market-leading gaming technology
- Technology includes a state-of-the-art betting platform with fully responsive front-end website and mobile apps (iOS and Android)
- Additional product verticals including iCasino and iRaceBook can be integrated into the BlueBet ecosystem for partners in approved jurisdictions



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. In Australia we expect to remain Operating Cash flow positive through ongoing marketing efficiencies and growth in Active Customers. It is anticipated the Australian market to be materially less competitive in the first half of FY24 than previous years, with margins expected to continue to normalise.

For the past two years, competition in the Australian market has been extreme but it is anticipated to cool significantly this Spring carnival allowing operators to grow more efficiently.

Product is our key differentiator, and we will continue to invest in the BlueBet Global Platform to unlock operational efficiencies whilst implementing front end enhancements to improve the user experience. These product enhancements will set the business up for efficient growth in Australia and the US once this is delivered.

In the US, the Company will continue to grow the ClutchBet brand through a focused and disciplined hyper localised marketing approach. Both Louisiana and Indiana will go-live in FY24 which provides the platform to complete Stage 1 of our US Capital Lite entry.

The Company is excited to progress discussions on Stage 2 of our US Strategy, with the Global Platform being the key to unlocking these opportunities and are encouraged by the interest in our platform and expertise in our teams.

MATERIAL BUSINESS RISKS TO STRATEGY AND FINANCIAL PERFORMANCE IN FUTURE PERIODS

Identifying and managing risks which may affect the success of the company's strategy and financial prospects for future years is an essential part of the company's governance framework. While the Group has a strong track record of managing a multitude of risks, some inherent risks remain, many of which are not directly within the control of the Group.

The Company's risk management approach involves the ongoing assessment, monitoring and reporting of risks which could impede the company's progress in delivering the company's strategic priorities. As the business continues to grow, the material business risk profile evolves.

The material business risks affecting the Group are set out below. The Group may also face a range of other risks from time to time in conducting its business activities.

1) The Wagering Industry is Highly Regulated

The provision of wagering services is subject to extensive laws, regulations, permits and approvals. These Regulations vary from jurisdiction to jurisdiction, but typically address the responsibility, financial standing and suitability of licensed operators, their suppliers and their respective owners, Directors and key employees, locations where licensed operations are permitted, wagering activity, marketing and promotional activity, the payment of fees, reporting of integrity-related matters, the use of personal data, and anti-money laundering and counter-terrorism practices. In addition, compliance costs associated with Regulations are material.

a. Changes to Regulations

Many of the Regulations are subject to change; for example, restrictions on types of betting products, restrictions on deposit methods and the risk of increased regulation or restrictions relating to the advertising of wagering products. Regulatory authorities may also change their interpretation of the Regulations at any time, which may restrict or further regulate the Company's operations in the future. Changes to Regulations may result in additional costs or compliance burden for the Company. Some aspects of compliance may be outside the control of the Company.

b. Breach of Regulations

In addition, any failure by the Company (or BlueBet, as applicable) to comply with relevant Regulations may lead to penalties, sanctions or ultimately the amendment, suspension or revocation of relevant operating licences, approvals or permits and may have an impact on licences, approvals or permits in other jurisdictions. Further, any regulatory investigations or settlements could cause the Company to incur substantial costs (for example, by way of fines and penalties, or because of successful customer claims, and seeking external professional advice and assistance), or require it to change its business practices in a manner materially adverse to its business.

c. *Increases in Product Fees, Levies and Taxes*

BlueBet has commercial and regulatory payment obligations in the jurisdictions in which it operates. These obligations may be owed to a particular sporting body as "product fees" (for example, horse racing conducted in an Australian jurisdiction), payable under a commercial or statutory licence, or otherwise imposed by law as a tax, levy, or fee. Any adverse changes to BlueBet's existing payment obligations, in respect of Product Fees and Taxes (for example, an increase to Product Fees payable in connection with thoroughbred horse racing in a particular state), or the imposition of new payment obligations on BlueBet (for example, the imposition of a fee on BlueBet in respect of the national self-exclusion register) and any new levies, taxes or other duties or charges in any relevant jurisdictions, could materially and adversely affect the Company's Cost of Sales and therefore affect the level of profit generated from operations.

2) *The Company's Market Expansion to the US*

The Company's growth strategy includes expansion into the developing wagering industry in the US. The striking down by the US Supreme Court of PASPA on 14 May 2018, paved the way for individual states to introduce legislation permitting sports betting. Each state may now introduce their own regulatory and licensing frameworks. Several states in the US have already passed legislation legalising sports betting and several other states have draft bills before the legislature, which may or may not be passed in future. Each state's legislation (both enacted and draft) varies in its scope and extent; however:

- while several states in the US have already legalised wagering to some extent, there is no guarantee that states that have not yet legalised wagering will do so in the future: and
- the timing or scope of any enabling legislation or regulations, and the issuance of licences, cannot be assessed with any certainty in states that do move to legalise wagering.

Having secured market access in four jurisdictions and having gone live if two of those being Iowa and Colorado. Both Louisiana and Indianna will go-live in FY2024 with the company well positioned to execute on its Stage 1, B2C market entry strategy. However, the expansion to the US is in its very early stage and there is no guarantee that the Company's efforts at international expansion will be successful. The Company remains convinced that its "Capital Lite" US entry strategy is the most prudent way to enter the market.

3) *System Disruptions and Outages*

BlueBet relies on the constant real-time performance, reliability, and availability of its technology system, including in relation to its website and mobile apps. There is a risk that these systems may fail to perform as expected or be adversely impacted by several factors, some of which may be outside of BlueBet's control. These include data losses, computer system faults, internet and telecommunications or data network failures, fire, natural disasters, computer viruses and external malicious interventions such as hacking or denial-of-service attacks. This may cause part or all BlueBet's technology systems and/or the communication networks to become unavailable. Like other wagering operators, there is a risk that repeated failures to BlueBet's technology system may result in a decline in the number of customers using BlueBet's wagering platform and have a material adverse effect on the operations and financial performance of the Company.

4) *Risks associated with data protection and cyber security*

Through the ordinary course of business, BlueBet collects and maintains confidential or personal information about its customers. BlueBet also outsources the collection, storage, and processing of credit card details for customers to an authorised third party. Personal information is segregated to a secure database behind firewall protection and financial data is encrypted and firewall protected. Although BlueBet has cyber-security policies and procedures in place, there is a risk that cyber-attacks may compromise, or breach technology systems used by BlueBet to protect confidential or personal information. Any data security breaches or BlueBet's failure to protect confidential or personal information could cause significant disruption to BlueBet's business and trigger mandatory data breach notification obligations. They may also result in the loss of information integrity, breaches of BlueBet's obligations under applicable laws or agreements, legal complaints and claims by customers, and regulatory scrutiny and fines. Any of these could cause significant damage to BlueBet's reputation, which may affect our ability to retain or attract new customers and have a material adverse impact on the financial position and performance of BlueBet.

5) *Anti-money laundering / counter-terrorism financing*

The wagering industry is exposed to vulnerabilities such as money laundering and there is a risk that BlueBet's products may be used for those purposes by its customers or employees. In addition, the Company's activities are subject to anti money laundering regulations and anti-corruption laws, which may increase the costs of compliance, limit or restrict the Company's ability to do business or subject the Company to enforcement action that may include civil or criminal actions or proceedings. If applicable anti-money laundering laws or regulations are breached, the Company's business, performance, reputation, prospects, value, financial condition, and results of operations could be adversely affected.

6) Reliance on key personnel

The Company depends on the services of the management team as well as its technical, operational, marketing and management personnel. Competition for suitably qualified personnel is significant. If the Company is not able to retain its key employees and attract appropriate new employees, it may not be able to operate and grow as the Company had planned.

7) Competitors and new market entrants

The wagering industry is highly competitive. Other more well established, well-resourced companies offer products and services that compete with BlueBet. These competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, have greater resources to make acquisitions or enter into strategic partnerships, have larger and more mature intellectual property portfolios, have substantially greater financial, technical, and other resources or otherwise develop more commercially successful products or services and therefore potentially limit BlueBet's growth.

8) The Company may require additional capital to fund its growth plans

The Company is likely to require additional capital in order to support and implement its future growth plans. The Company's ability to obtain additional capital, if and when required, will depend on its business plans, investor demand, the capital markets, and other factors. If the Company is unable to obtain additional capital when required or is unable to obtain additional capital on satisfactory terms, its ability to continue to support its business growth or to respond to business opportunities, challenges or unforeseen circumstances could be adversely affected.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 8 August, the Victorian Gambling and Casino Control Commission (VGCCC) charged the Group for allegedly unlawfully displaying three gambling advertisements on billboards in prohibited locations during FY23. The VGCCC has stated that BlueBet faces 43 charges for allegedly contravening section 4.7.1 of the Gambling Regulation Act 2003, relating to the positioning of advertising billboards. If BlueBet is found guilty of all the charges, it faces a maximum fine of up to $954,187. An initial court hearing into the matter is scheduled for 18 September 2023.

The Group considers that there may be reasonably arguable grounds to contest the charges. Alternatively, there are grounds to support the number of charges being reduced and therefore substantially reduce the quantum of potential penalty. Although the proceedings remain at a preliminary stage, a reasonable forecast is that number of charges could be reduced significantly below the 43 charges currently alleged and the penalty imposed for any proven charge will be significantly below the maximum penalty. The Group has recorded a provision that represents their best estimate of the ultimate outcome of this matter.

No other matter or circumstance has arisen since 30 June 2023 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	833,453 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:	16,283,334 ordinary shares
Interests in options:	804,823 options over ordinary shares
Interests in performance rights:	984,230 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

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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:	237,719 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, Braemer 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 Audit & Risk Committee Chairman and Member of the Remuneration & Nomination 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.

Laura is an experienced Chartered Company Secretary who has worked for a broad range of organisations, both in-house and for corporate secretarial service providers.

Laura has over twelve years of experience in company secretarial and governance management of ASX & NSX listed entities, unlisted public entities and FTSE100 entities. She has worked with Boards and executive management of listed and unlisted companies across a range of industry sectors. Laura manages a team of corporate governance professionals to deliver high quality company secretarial support to a range of clients.

Laura is a Company Secretary of a number of ASX listed and unlisted public companies. She holds a degree with Honours in Law and Criminology and a Masters degree in Law and Corporate Governance. She is an Associate of the Governance Institute of Australia (AGIA).

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 2023, 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	11	3	3	3	3
Bill Richmond	11	11	-	-	-	-
Tim Worner	11	11	3	3	-	-
David Fleming	11	11	-	-	3	3
Nigel Payne	11	11	3	3	3	3

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;
- long-term incentives; 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 share-based payments. The company has two share-based payment plans, as described below, Under these plans, options and performance rights are awarded to executives over a period of two, three and four years based on long-term incentive measures and continuous employment. The Remuneration and Nomination Committee reviewed the long-term equity incentives specifically for executives during the year ended 30 June 2023.

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.

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 Remuneration and Nomination 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 Remuneration and Nomination Committee.

Group 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 2023, 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 2022 AGM, 98.7% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. 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

2023	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	
	CASH SALARY AND FEES $	CASH BONUS $	NON-MONETARY $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY-SETTLED $	TOTAL $
Non-Executive Directors:							
Tim Worner	80,000	-	-	8,400	-	33,695	122,095
David Fleming	80,000	-	-	8,400	-	33,695	122,095
Nigel Payne	100,000	-	-	-	-	-	100,000
Executive Directors:							
Michael Sullivan	300,000	-	37,352	27,500	-	236,563	601,415
Bill Richmond	375,000	64,400	-	27,500	-	265,235	732,135
Other Key Management Personnel:							
Darren Holley	335,397	58,284	-	27,500	-	302,279	723,460
	1,270,397	122,684	37,352	99,300	-	871,467	2,401,200

2022	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	
	CASH SALARY AND FEES $	CASH BONUS $	NON-MONETARY $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY-SETTLED $	TOTAL $
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

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

	FIXED REMUNERATION		*AT RISK - STI*		*AT RISK - LTI*	
NAME	*2023*	*2022*	*2023*	*2022*	*2023*	*2022*
Non-Executive Directors:						
Tim Worner	72%	72%	-	-	28%	28%
David Fleming	72%	72%	-	-	28%	28%
Nigel Payne	100%	100%	-	-	-	-
Executive Directors:						
Michael Sullivan	61%	61%	-	-	39%	39%
Bill Richmond	55%	47%	9%	23%	36%	30%
Other Key Management Personnel:						
Darren Holley	50%	43%	8%	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 *'Group 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 Remuneration and Nomination Committee.

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

	CASH BONUS PAID/PAYABLE		*CASH BONUS FORFEITED*	
NAME	*2023*	*2022*	*2023*	*2022*
Executive Directors:				
Bill Richmond	32%	100%	68%	-
Other Key Management Personnel:				
Darren Holley	32%	100%	68%	-

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:** $327,500 (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. Mr Sullivan (or nominee) is eligible to receive performance share rights equal to 100% of his fixed annual remuneration (664,622 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. **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:** $402,500 (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. Mr Richmond (or nominee) is eligible to receive performance share rights equal to 100% of his fixed annual remuneration (817,996 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.

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:** $402,500 (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. Mr Holley (or nominee) is eligible to receive performance share rights equal to 100% of his fixed annual remuneration (715,746 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.

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 2023.

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-Jun-2021	Various [1]	29-Jun-2028	$1.14	$0.386
Bill Richmond	804,823	29-Jun-2021	Various [1]	29-Jun-2028	$1.14	$0.386
Tim Worner	241,447	29-Jun-2021	Various [1]	29-Jun-2028	$1.14	$0.386
David Fleming	241,447	29-Jun-2021	Various [1]	29-Jun-2028	$1.14	$0.386
Darren Holley	1,207,235	30-Jun-2021	Various [1]	30-Jun-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	FAIR VALUE PER RIGHT AT GRANT DATE
Michael Sullivan	168,831	29-Nov-2021	Various [1]	N/A	$1.550
Bill Richmond	207,792	29-Nov-2021	Various [1]	N/A	$1.550
Darren Holley	181,818	23-Dec-2021	Various [1]	N/A	$1.465
Michael Sullivan	664,622	29-Nov-2022	Various [2]	N/A	$0.415
Bill Richmond	817,996	29-Nov-2022	Various [2]	N/A	$0.415
Darren Holley	715,746	29-Nov-2022	Various [2]	N/A	$0.415

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.*
2. *In relation to the vesting of these performance share rights into ordinary shares, 20% vest at 30 June 2023, 30% vest at 30 June 2024, and 50% vest at 30 June 2025, 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 2023 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	664,622	-	-	39%
Bill Richmond	817,996	41,558	62,338	40%
Darren Holley	715,745	36,364	50,649	45%

ADDITIONAL INFORMATION

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Wagering revenue	49,022	49,668	32,351	16,808	9,575
(Loss)/profit after income tax	(18,832)	(6,071)	2,979	4,485	(374)

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

	2023	2022	2021
Share price at financial year end ($)	0.18	0.50	1.14
Basic earnings per share (cents per share)	(9.41)	(3.03)	1.90
Diluted earnings per share (cents per share)	(9.41)	(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	84,157,894	-	-	-	84,157,894
Bill Richmond	16,241,776	41,558	-	-	16,283,334
Tim Worner	21,930	-	-	-	21,930
David Fleming	87,719	-	150,000	-	237,719
Darren Holley	43,860	36,364	-	-	80,224
	100,553,179	**77,922**	**150,000**	**-**	**100,781,101**

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	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
Performance rights over ordinary shares					
Michael Sullivan	168,831	664,622	-	-	833,453
Bill Richmond	207,792	817,996	(41,558)	-	984,230
Darren Holley	181,818	715,746	(36,364)	-	861,200
	558,441	**2,198,364**	**(77,922)**	**-**	**2,678,883**

This concludes the remuneration report, which has been audited.

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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-Jun-2021	29-Jun-2028	$1.14	4,651,877
30-Jun-2021	30-Jun-2028	$1.14	4,265,563
27-Jan-2022	27-Jan-2029	$1.12	1,000,000
1-Jul-2022	30-Jun-2029	$0.49	60,000
1-Jan-2023	31-Dec-2029	$0.37	30,000
			10,007,440

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-Nov-2021	Various [1]	$0.00	335,065
26-Jan-2022	Various [1]	$0.00	357,030
29-Nov-2022	Various	$0.00	4,268,567
			4,960,662

1. *Share rights vest on an annual basis over the years ended 30 June 2022, 30 June 2023 and 30 June 2024*

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 2023 and up to the date of this report.

Shares issued on the exercise of performance rights

The following ordinary shares of BlueBet Holdings Ltd were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

DATE PERFORMANCE RIGHTS GRANTED	EXERCISE PRICE	NUMBER OF SHARES ISSUED
29-Nov-2021	$0.00	91,579

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 has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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

There were no non-audit services provided during the financial year by the auditor.

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

31 August 2023

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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 [name of entity] for the financial year ended 30 June 2023, 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;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene 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

Ernst & Young

Simon Hannigan
Partner
31 August 2023

BlueBet

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS - CONTENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

		CONSOLIDATED	
		2023	2022
	NOTE	$'000	$'000
Revenue			
Wagering revenue	5	49,022	49,668
Cost of wagering services		(24,199)	(22,661)
Gross margin		24,823	27,007
Other income	6	101	-
Interest revenue calculated using the effective interest method		528	185
Expenses			
Employee benefits expense		(14,463)	(11,053)
Advertising and marketing expense		(19,224)	(13,910)
Licensing, platform and subscriptions		(3,206)	(3,202)
IT expense		(2,916)	(1,020)
Administration expense		(1,204)	(1,077)
Depreciation and amortisation expense	7	(2,773)	(766)
Other expenses		(2,717)	(2,414)
Finance costs	7	(517)	(55)
Loss before income tax benefit		**(21,568)**	**(6,305)**
Income tax benefit	8	2,736	234
Loss after income tax benefit for the year attributable to the owners of BlueBet Holdings Ltd		**(18,832)**	**(6,071)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		152	237
Other comprehensive income for the year, net of tax		152	237
Total comprehensive income for the year attributable to the owners of BlueBet Holdings Ltd		**(18,680)**	**(5,834)**
		CENTS	CENTS
Basic earnings per share	36	(9.41)	(3.03)
Diluted earnings per share	36	(9.41)	(3.03)

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 2023

	NOTE	CONSOLIDATED 2023 $'000	 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	9	22,695	47,268
Trade and other receivables	10	363	227
Income tax refund due	8	46	1,013
Other assets	12	597	831
Total current assets		**23,701**	**49,339**
Non-current assets			
Investments	11	839	-
Property, plant and equipment	13	729	751
Right-of-use assets	14	720	1,097
Intangibles	15	24,670	5,820
Deferred tax asset	8	3,907	750
Other assets	12	526	50
Total non-current assets		**31,391**	**8,468**
Total assets		**55,092**	**57,807**
Liabilities			
Current liabilities			
Trade and other payables	16	10,039	6,265
Borrowings	17	31	111
Lease liabilities	18	414	378
Employee benefits	19	1,200	1,190
Client deposits on hand	20	4,454	3,608
Total current liabilities		**16,138**	**11,552**
Non-current liabilities			
Trade and other payables	16	9,427	-
Borrowings	17	174	-
Lease liabilities	18	391	794
Employee benefits	19	110	95
Total non-current liabilities		**10,102**	**889**
Total liabilities		**26,240**	**12,441**
Net assets		**28,852**	**45,366**
Equity			
Issued capital	21	47,806	47,806
Reserves	22	5,679	3,361
Accumulated losses		(24,633)	(5,801)
Total equity		**28,852**	**45,366**

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 2023

CONSOLIDATED	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'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)
Share-based payments (note 22)	-	2,590	-	2,590
Balance at 30 June 2022	**47,806**	**3,361**	**(5,801)**	**45,366**

CONSOLIDATED	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2022	47,806	3,361	(5,801)	45,366
Loss after income tax benefit for the year	-	-	(18,832)	(18,832)
Other comprehensive income for the year, net of tax	-	152	-	152
Total comprehensive income for the year	-	152	(18,832)	(18,680)
Share-based payments (note 22)	-	2,166	-	2,166
Balance at 30 June 2023	**47,806**	**5,679**	**(24,633)**	**28,852**

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 2023

	NOTE	CONSOLIDATED 2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers (Client deposits)		142,035	126,567
Payments to customers (Client withdrawals)		(88,631)	(71,258)
Payments to suppliers and employees (inclusive of GST)		(68,181)	(53,835)
Interest received		528	185
Interest and other finance costs paid		(517)	(116)
Income taxes refunded/(paid)		546	(2,510)
Net cash used in operating activities	**33**	**(14,220)**	**(967)**
Cash flows from investing activities			
Payments for investments		(839)	-
Payments for property, plant and equipment	13	(123)	(429)
Payments for intangibles	15	(9,542)	(6,202)
Net cash used in investing activities		**(10,504)**	**(6,631)**
Cash flows from financing activities			
Share issue transaction costs		-	(1,209)
Payment of office bond		-	(29)
Net cash used in financing activities		**-**	**(1,238)**
Net decrease in cash and cash equivalents		**(24,724)**	**(8,836)**
Cash and cash equivalents at the beginning of the financial year		47,268	56,104
Effects of exchange rate changes on cash and cash equivalents		151	-
Cash and cash equivalents at the end of the financial year	**9**	**22,695**	**47,268**

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

The financial statements cover BlueBet Holdings Ltd as a Group consisting of BlueBet Holdings Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is BlueBet Holdings Ltd's functional and presentation currency.

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 31 August 2023. 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Going concern

For the year ended 30 June 2023, the Group incurred a loss after tax of $18,832,000 (30 June 2022: $6,071,000 and had net operating cash outflows of $14,220,000 (30 June 2022 : outflows of $967,000). Further, the Group has a net current assets position of $7,563,000 at 30 June 2023 (30 June 2022: net current assets of $37,787,000), as well as net assets position of $28,852,000 (30 June 2022: net assets of $45,366,000).

The directors believe that the funds available from existing cash reserves will provide the Group with sufficient working capital to carry out its stated objectives for at least the next 12 months from the date of signing these financial statements.

The financial statements have been prepared on the going concern basis for the above reasons. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Group not continue as 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') and financial assets measured at fair value through other comprehensive income.

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.

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 31.

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 2023 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.

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.

Wagering levies and point of consumption taxes

The Group is subject to wagering levies and point of consumption taxes incurred by each state and territory of Australia, in addition to sporting bodies. Wagering levies and point of consumption taxes are based on a percentage of revenue or turnover, and expensed by the Group at the point in time that the relevant measure is incurred.

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. Accordingly, the Group considers the utilisation of a deductible temporary difference or tax loss probable, if the Group's forecasts indicate the loss will be utilised within a five year time frame from balance date."

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.

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

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

An intangible asset representing each of the Group's US licences is initially recognised at the fair value of the contingent payments at acquisition, and a financial liability is recognised at the same value. This intangible asset is treated as a definite life intangible in accordance with the associated licencing agreements and amortised accordingly over the period of their expected benefit, being their finite life of 5 to 10 years.

Subsequently the financial liability is measured at amortised cost. The carrying amount of the financial liability is adjusted to reflect the Group's best estimate of the net present value of amounts payable under the licence agreements. Presently, minimum amounts payable under licencing agreements represent the Group's best estimate of amounts payable in respect of these licences. Subsequent changes in the measurement of the financial liability are recognised in profit or loss."

Impairment of non-financial assets

Intangible assets not yet available for use or 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.

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.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

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 2023. 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 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. 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 subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. 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.

Estimation of contingent consideration – US licence liabilities

The Group recognises a financial liability to reflect the Group's best estimate of the net present value of amounts payable under the licence agreements. Presently, minimum amounts payable under licencing agreements represent the Group's best estimate of amounts payable in respect of these licences. The Group considers future revenue and turnover forecasts, as relevant to minimum amounts payable under each respective licence agreement, in estimating contingent consideration.

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.

Recoverability of deferred tax assets

The Group considers the utilisation of a deductible temporary difference or tax loss probable if the Group's forecasts indicate the loss will be utilised within a five-year time frame from balance date. Accordingly, in making these assessments, the Group considers and takes into account current and future performance, the tax base of the Group's balance sheet, and relevant regulatory and taxation changes, among other factors.

Capitalisation of Website and apps development costs

Website and apps development costs are capitalised on the basis that: the project will be a success considering its commercial and technical feasibility; the entity's ability to use or sell the asset; the entity has sufficient resources and intent to complete the development; and that the costs can be measured reliably. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. To the extent that capitalised costs are determined not to be recoverable in the future, they are written off in the period in which this determination is made.

NOTE 4. OPERATING SEGMENTS

Identification of reportable operating segments

The Group is organised into three operating segments being Australia, North America and Corporate. 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

CONSOLIDATED - 2023	AUSTRALIA $'000	NORTH AMERICA $'000	CORPORATE[1] $'000	TOTAL $'000
Revenue				
Wagering revenue	49,066	(44)	-	49,022
Cost of wagering services	(24,117)	(82)	-	(24,199)
Gross margin	**24,949**	**(126)**	**-**	**24,823**
Unallocated revenue:				
Other income				101
Interest revenue				528
Total revenue				**25,452**
Segment EBITDA	**(5,835)**	**(8,084)**	**(4,359)**	**(18,278)**
Depreciation and amortisation				(2,773)
Finance costs				(517)
Loss before income tax benefit				**(21,568)**
Income tax benefit				2,736
Loss after income tax benefit				**(18,832)**
Assets				
Segment assets	37,209	17,883	-	55,092
Total assets				**55,092**
Liabilities				
Segment liabilities	13,314	12,926	-	26,240
Total liabilities				**26,240**

1. *Corporate segment expenses include KMP and director remuneration (inclusive of KMP and director share based payments expenses), Director fees, listed company costs (incorporating audit fees, investor relations, Group-wide insurance and company secretarial costs) and a component of the employment benefits of certain other head office based management.*

CONSOLIDATED - 2022	AUSTRALIA $'000	NORTH AMERICA $'000	CORPORATE[1] $'000	TOTAL $'000
Revenue				
Wagering revenue	49,668	-	-	49,668
Cost of wagering services	(22,661)	-	-	(22,661)
Gross margin	**27,007**	**-**	**-**	**27,007**
Unallocated revenue:				
Interest revenue				185
Total revenue				**27,192**
Segment EBITDA	**802**	**(2,603)**	**(3,683)**	**(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	52,183	5,624	-	57,807
Total assets				**57,807**
Liabilities				
Segment liabilities	11,698	743	-	12,441
Total liabilities				**12,441**

1. *Corporate segment expenses include KMP and director remuneration (inclusive of KMP and director share based payments expenses), Director fees, listed company costs (incorporating audit fees, investor relations, Group-wide insurance and company secretarial costs) and a component of the employment benefits of certain other head office based management.*

Geographical information

	SALES TO EXTERNAL CUSTOMERS		GEOGRAPHICAL NON-CURRENT ASSETS	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Australia	49,066	49,668	12,660	5,730
North America	(44)	-	14,733	2,032
	49,022	**49,668**	**27,393**	**7,762**

The geographical non-current assets above are exclusive of, where applicable, financial instruments and deferred tax assets.

NOTE 5. WAGERING REVENUE

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Revenue from wagering		
Betting turnover (gross of GST)	536,647	511,919
Payouts on betting (gross of GST)	(465,055)	(441,405)
	71,592	**70,514**
Promotions given (gross of GST)	(17,664)	(15,880)
GST	(4,906)	(4,966)
Wagering revenue	**49,022**	**49,668**

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Major product lines		
Revenue from betting on:		
Sports	6,191	3,711
Horse racing	20,741	22,497
Greyhound racing	16,481	17,613
Harness racing	5,609	5,847
	49,022	**49,668**
Geographical Regions		
Australia	**49,022**	**49,668**

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. OTHER INCOME

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Account fees	101	-

NOTE 7. EXPENSES

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	170	104
Motor vehicles	23	25
Land and buildings right-of-use assets	391	315
Total depreciation	**584**	**444**
Amortisation		
Website and apps	1,467	326
Licencing	722	-
Total amortisation	**2,189**	**326**
Total depreciation and amortisation	**2,773**	**770**
Finance costs		
Interest and finance charges paid/payable on borrowings	466	7
Interest and finance charges paid/payable on lease liabilities	51	48
Finance costs expensed	**517**	**55**
Net loss on disposal		
Net loss on disposal of property, plant and equipment	**5**	**-**
Superannuation expense		
Defined contribution superannuation expense	**860**	**568**
Share-based payments expense		
Share-based payments expense	**2,166**	**2,590**

NOTE 8. INCOME TAX

	CONSOLIDATED 2023 $'000	2022 $'000
Income tax benefit		
Current income tax expense	421	(230)
Deferred tax - origination and reversal of temporary differences	(3,157)	(4)
Aggregate income tax benefit	**(2,736)**	**(234)**
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	**(3,157)**	**(4)**
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	**(21,568)**	**(6,305)**
Tax at the statutory tax rate of 25%	(5,392)	(1,576)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	42	35
Share-based payments	510	601
Adjustment to capitalised development cost tax base	399	-
Sundry items	71	2
	(4,370)	**(938)**
Adjustment to deferred tax balances as a result of change in statutory tax rate	-	29
Current year tax losses not recognised (USA related)	1,634	675
Income tax benefit	**(2,736)**	**(234)**

	CONSOLIDATED 2023 $'000	2022 $'000
Deferred tax assets not recognised (tax losses)		
Deferred tax assets not recognised comprises:		
Unutilised tax loss/tax credit incurred in the US [1]		
Opening balance	636	69
Incurred during the year	1,634	567
Total deferred tax assets not recognised	**2,270**	**636**

1. *The Group has gross carried forward losses of $6,534,000 (2022: $3,027,000), that have not been booked as deferred tax assets. These losses relate to costs incurred by the Group in the US and may only be utilised against future taxable income derived in the US.*

	2023 $'000	2022 $'000
		CONSOLIDATED
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Tax losses	4,419	-
Employee benefits	416	173
Accrued expenses	29	26
Capitalised website and apps costs	(1,321)	28
IPO costs	317	476
Share based payments	47	47
Deferred tax asset	**3,907**	**750**
Movements:		
Opening balance	750	746
Credited to profit or loss	3,157	4
Closing balance	**3,907**	**750**

	CONSOLIDATED 2023 $'000	CONSOLIDATED 2022 $'000
Income tax refund due	46	1,013

NOTE 9. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2023 $'000	CONSOLIDATED 2022 $'000
Current assets		
Cash at bank	21,265	45,406
Cash on deposit	1,430	1,661
Other cash	-	201
	22,695	**47,268**

NOTE 10. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current assets		
Trade receivables	219	110
Other receivables	144	117
	363	**227**

The Group has recognised a loss of $nil (2022: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

NOTE 11. INVESTMENTS

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Non-current assets		
Low6 investment	839	-

Refer to note 25 for further information on fair value measurement.

The investment is a strategic investment in a UK-based sports gamification platform provider. The investment is classified as a financial asset and, at the Group's election, is carried at fair value through other comprehensive income.

NOTE 12. OTHER ASSETS

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current assets		
Prepayments	446	721
Security deposits	75	73
Other current assets	76	37
	597	**831**
Non-current assets		
Security deposits	476	-
Bookmaker's deposits	50	50
	526	**50**

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2023 $'000	2022 $'000
Non-current assets		
Plant and equipment - at cost	842	757
Less: Accumulated depreciation	(391)	(222)
	451	**535**
Motor vehicles - at cost	304	272
Less: Accumulated depreciation	(26)	(56)
	278	**216**
	729	**751**

Reconciliations

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

CONSOLIDATED	PLANT AND EQUIPMENT $'000	MOTOR VEHICLES $'000	TOTAL $'000
Balance at 1 July 2021	270	142	412
Additions	369	99	468
Depreciation expense	(104)	(25)	(129)
Balance at 30 June 2022	**535**	**216**	**751**
Additions	76	201	277
Disposals	-	(120)	(120)
Exchange differences	10	4	14
Depreciation expense	(170)	(23)	(193)
Balance at 30 June 2023	**451**	**278**	**729**

NOTE 14. RIGHT-OF-USE ASSETS

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Non-current assets		
Land and buildings - right-of-use	1,438	1,776
Less: Accumulated depreciation	(718)	(679)
	720	**1,097**

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.

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 2021	946
Additions	467
Exchange differences	(1)
Depreciation expense	(315)
Balance at 30 June 2022	**1,097**
Exchange differences	14
Depreciation expense	(391)
Balance at 30 June 2023	**720**

For other lease related disclosures, refer to the following:

- note 7 for details of depreciation on right-of-assets, interest on lease liabilities and other lease expenses;
- note 18 for lease liabilities at the end of the reporting period;
- note 24 for undiscounted future lease commitments; and
- statement of cash flows for repayment of lease liabilities.

NOTE 15. INTANGIBLES

	CONSOLIDATED	
	2023 $'000	2022 $'000
Non-current assets		
Website and apps - at cost	12,332	4,883
Less: Accumulated amortisation	(1,883)	(416)
	10,449	**4,467**
Patents and trademarks - at cost	44	44
Licencing - at cost [1]	14,897	1,309
Less: Accumulated amortisation	(720)	-
	14,177	**1,309**
	24,670	**5,820**

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:

CONSOLIDATED	WEBSITE AND APPS $'000	TRADEMARKS $'000	LICENSING $'000	TOTAL $'000
Balance at 1 July 2021	409	19	-	428
Additions	4,384	25	1,309	5,718
Depreciation expense	(326)	-	-	(326)
Balance at 30 June 2022	**4,467**	**44**	**1,309**	**5,820**
Additions	7,449	-	13,537	20,986
Exchange differences	-	-	53	53
Amortisation expense	(1,467)	-	(722)	(2,189)
Balance at 30 June 2023	**10,449**	**44**	**14,177**	**24,670**

NOTE 16. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current liabilities		
Trade payables	5,953	5,332
Pending bets	475	303
US licence payments	1,735	-
Other payables	1,876	630
	10,039	**6,265**
Non-current liabilities		
US licence payments	9,427	-

Refer to note 24 for further information on financial instruments.

US licence payments

US licence payments consists of the net present value of minimum amounts payable under licence agreements in Iowa and Colorado. Minimum amounts represent the Group's best estimate of amounts payable in respect of these licences. The amounts are unsecured, interest free, and are repayable over 5 and 10 years in Iowa & Colorado respectively. Non-current amounts have been discounted to their present value by applying the Group's incremental borrowing rate.

NOTE 17. BORROWINGS

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current liabilities		
Chattel mortgage on motor vehicles	31	111
Non-current liabilities		
Chattel mortgage on motor vehicles	174	-

Refer to note 24 for further information on financial instruments.

Assets pledged as security

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

NOTE 18. LEASE LIABILITIES

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current liabilities		
Lease liability	414	378
Non-current liabilities		
Lease liability	391	794

Refer to note 24 for further information on financial instruments.

NOTE 19. EMPLOYEE BENEFITS

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current liabilities		
Annual leave	700	540
Employee benefits	500	650
	1,200	**1,190**
Non-current liabilities		
Long service leave	110	95

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.

NOTE 20. CLIENT DEPOSITS ON HAND

	CONSOLIDATED	
	2023	2022
	$'000	$'000
Current liabilities		
Client deposits on hand	4,454	3,608

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

NOTE 21. ISSUED CAPITAL

CONSOLIDATED	2023 SHARES	2022 SHARES	2023 $'000	2022 $'000
Ordinary shares - fully paid	200,201,228	200,109,649	47,806	47,806

Movements in ordinary share capital

DETAILS	DATE	SHARES	ISSUE PRICE	$'000
Balance	1 July 2021	200,109,649	-	47,806
Balance	30 June 2022	200,109,649	-	47,806
Exercise of performance share rights	25 July 2022	8,514	$0.00	-
Exercise of performance share rights	2 August 2022	1,943	$0.00	-
Exercise of performance share rights	16 August 2022	81,122	$0.00	-
Balance	**30 June 2023**	**200,201,228**	**-**	**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

A total of 129,934,894 ordinary shares under voluntary escrow were released during the year. These shares were subject to various conditions which prevented the escrowed shareholders from dealing in their escrowed shares within the first two years of the company being listed. This two year period ended on 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 capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

NOTE 22. RESERVES

	CONSOLIDATED 2023 $'000	2022 $'000
Foreign currency reserve	389	237
Share-based payments reserve	5,290	3,124
	5,679	**3,361**

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:

CONSOLIDATED	FOREIGN CURRENCY TRANSLATION $'000	SHARE-BASED PAYMENTS $'000	TOTAL $'000
Balance at 1 July 2021	-	534	534
Foreign currency translation	237	-	237
Share-based payments	-	2,590	2,590
Balance at 30 June 2022	**237**	**3,124**	**3,361**
Foreign currency translation	152	-	152
Share-based payments	-	2,166	2,166
Balance at 30 June 2023	**389**	**5,290**	**5,679**

NOTE 23. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 24. 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. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign currency risk and aging analysis for credit risk.

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, net of the above balance, at the reporting date were as follows:

	ASSETS		LIABILIITES	
CONSOLIDATED	2023	2022	2023	2022
US dollars	17,746	5,624	12,926	743

The Group had net assets denominated in foreign currencies of $4,820,000 (assets of $17,746,000 less liabilities of $12,926,000 as at 30 June 2023 (2022: net assets of $4,881,000 ($5,624,000 assets less liabilities of $743,000)). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Group's other comprehensive income for the year would have been $482,000 lower/$482,000 higher (2021: $488,100 lower/$488,100 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 or loss for the year (2022: $nil). A 10% weakening/strengthening in the Australian dollar would have a $nil impact on the current year profit or loss (2022: $nil).

Price risk

The Group is exposed to price risk in respect of its investment in Low6 (see note 11). This has not been significant in the current year.

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.

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.

CONSOLIDATED - 2023	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-interest bearing						
Trade payables	-	5,953	-	-	-	5,953
Pending bets	-	475	-	-	-	475
Other payables	-	1,876	-	-	-	1,876
Client deposits on hand (on demand)	-	4,454	-	-	-	4,454
US licence payments	-	1,735	1,825	5,430	6,913	15,903
Interest-bearing - variable						
Lease liability	5.00%	445	401	-	-	846
Chattel mortgage	5.83%	42	42	152	-	236
Total non-derivatives		**14,980**	**2,268**	**5,582**	**6,913**	**29,743**

CONSOLIDATED - 2022	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-interest bearing						
Trade payables	-	5,332	-	-	-	5,332
Pending bets	-	303	-	-	-	303
Other payables	-	630	-	-	-	630
Client deposits on hand (on demand)	-	3,608	-	-	-	3,608
Interest-bearing - variable						
Lease liability (Rent)	5.00%	429	438	396	-	1,263
Chattel mortgage	4.43%	113	-	-	-	113
Total non-derivatives		**10,415**	**438**	**396**	**-**	**11,249**

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

NOTE 25. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

CONSOLIDATED - 2023	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Assets				
Investments at fair value through other comprehensive income	-	-	839	839
Total assets	**-**	**-**	**839**	**839**

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature with the exception of long term trade and other payables, which are discounted to their present value applying an incremental borrowing rate.

NOTE 26. 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	
	2023 $	2022 $
Short-term employee benefits	1,430,433	1,668,742
Post-employment benefits	99,300	98,500
Share-based payments	871,467	857,961
	2,401,200	**2,625,203**

NOTE 27. 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	
	2023	2022
	$	$
Audit services - Ernst & Young		
Audit or review of the financial statements	322,125	315,000
Other services - Ernst & Young		
Tax compliance and advisory	139,872	138,861
	461,997	**453,861**

NOTE 28. CONTINGENT LIABILITIES

The Group is currently subject to charges made by the Victorian Gambling and Casino Control Commission (VGCCC) against the Group for which the maximum penalties may amount to $954,187.

As outlined in note 38 of the financial report, the Directors consider it likely that the outcome of this matter will result in a significantly reduced number of VGCCC charges being upheld by the court (if any), and accordingly a significantly reduced penalty (if any). Whilst the Directors have recorded a provision representing their best estimates of the likely outcome of this matter, they acknowledge the uncertainties in relation to this matter and accordingly the existence of a contingent liability of up to a maximum of $954,187. A charge amount of this quantum would arise only in the less than probable event of full incursion of penalties on the Group by the VGCCC.

NOTE 29. COMMITMENTS

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 with 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). Regulatory approval was obtained in both Iowa and Colorado during the year, and accordingly the Group has recognised the liabilities detailed in note 16. Should relevant regulatory approvals be obtained in Indiana and Louisiana, the Group will be committed to minimum payments over the terms of the market access agreements in those states.

	LESS THAN 1 YEAR	1 TO 5 YEARS	GREATER THAN 5 YEARS
	$'000	$'000	$'000
Year ending 30 June 2023			
Sponsorships	1,050	3,037	-
Market agreements	2,283	24,527	13,917
	3,333	**27,564**	**13,917**
Year ending 30 June 2022			
Sponsorships	650	3,700	450

Sponsorships relate to future commitments made by the Group in exchange for branding and advertising rights granted by sporting organisations.

NOTE 30. RELATED PARTY TRANSACTIONS

Parent entity

BlueBet Holdings Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	CONSOLIDATED	
	2023	2022
	$	$
Director salary and employment benefits	1,640,388	1,765,952
Lease payments for director's motor vehicle	37,352	41,241
Group/company lease liability for director's motor vehicle	205,000	111,000

Receivable from and payable to related parties

At 30 June 2023, the Group had an other payable to the Executive Chairman of $22,000 (FY22: $0), relating to the reimbursement of costs incurred by the Executive Chairman on behalf of the Group. This is interest free and repayable on demand.

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 31. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

		PARENT
	2023	2022
	$	$
Loss after income tax	(17,506)	(4,721)
Total comprehensive income	**(17,506)**	**(4,721)**

Statement of financial position

		PARENT
	2023	2022
	$	$
Total current assets	24,841	43,703
Total assets	**29,413**	**44,280**
Total current liabilities	328	595
Total liabilities	**369**	**630**
Equity		
Issued capital	47,806	47,806
Foreign currency reserve	734	-
Share-based payments reserve	5,290	3,124
Accumulated losses	(24,786)	(7,280)
Total equity	**29,044**	**43,650**

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 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

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 32. 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 2023 %	OWNERSHIP INTEREST 2022 %
BlueBet Pty Ltd	Australia	100.00%	100.00%
BlueBet IP Pty Ltd	Australia	100.00%	100.00%
BlueBet USA, Inc	United States of America	100.00%	100.00%
BlueBet Colorado, LLC	United States of America	100.00%	100.00%
BlueBet Indiana, LLC	United States of America	100.00%	100.00%
BlueBet Iowa, LLC	United States of America	100.00%	100.00%
BlueBet Arizona, LLC	United States of America	100.00%	100.00%
BlueBet Louisiana, LLC	United States of America	100.00%	100.00%
BlueBet Missouri, LLC	United States of America	100.00%	100.00%
BlueBet Canada (Holdings) Ltd	Canada	100.00%	100.00%
BlueBet Ontario Ltd	Canada	100.00%	100.00%

NOTE 33. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
Loss after income tax benefit for the year	(18,832)	(6,071)
Adjustments for:		
Depreciation and amortisation	2,773	766
Share-based payments	2,166	2,590
Foreign exchange differences	71	237
Change in operating assets and liabilities:		
Increase in trade and other receivables	(136)	(444)
Decrease/(increase) in income tax refund due	967	(1,013)
Decrease/(increase) in deferred tax assets	(3,156)	150
Decrease/(increase) in prepayments	275	(238)
Decrease/(increase) in other operating assets	(39)	50
Increase in trade and other payables	820	2,295
Decrease in derivative liabilities	-	(61)
Decrease in provision for income tax	-	(1,155)
Increase in employee benefits	25	274
Increase in other provisions	-	650
Increase/(decrease) in client deposits	846	1,003
Net cash used in operating activities	**(14,220)**	**(967)**

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NOTE 34. NON-CASH INVESTING AND FINANCING ACTIVITIES

	CONSOLIDATED	
	2023	2022
	$	$
Additions to right-of-use assets	-	467
Additions to property, plant and equipment	154	-
Additions to US licensing intangible (note 15)	13,537	1,309
	13,691	1,776

NOTE 35. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

CONSOLIDATED	CHATTEL MORTGAGE $'000	LEASE LIABILITIES $'000	TOTAL $'000
Balance at 1 July 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
Net cash used in financing activities	(125)	(435)	(560)
Acquisition of motor vehicles	214	-	214
Interest expense	5	51	56
Exchange differences	-	17	17
Balance at 30 June 2023	205	805	1,010

NOTE 36. EARNINGS PER SHARE

	CONSOLIDATED	
	2023	2022
	$	$
Loss after income tax attributable to the owners of BlueBet Holdings Ltd	(18,832)	(6,071)

	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	200,190,275	200,109,649
Weighted average number of ordinary shares used in calculating diluted earnings per share	200,190,275	200,109,649

	CENTS	CENTS
Basic earnings per share	(9.41)	(3.03)
Diluted earnings per share	(9.41)	(3.03)

As at the reporting date, the Group had 10,007,440 options over ordinary shares (including escrowed and future vesting) and 4,960,662 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 because they were anti-dilutive.

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NOTE 37. 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 with 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
	2023	2023	2022	2022
Outstanding at the beginning of the financial year	11,285,640	$1.14	10,285,640	$1.14
Granted	540,000	$0.48	1,000,000	$1.12
Expired	(1,818,200)	$0.00	-	$0.00
Outstanding at the end of the financial year	**10,007,440**	**$1.13**	**11,285,640**	**$1.14**
Exercisable at the end of the financial year	**2,992,480**		**-**	

The weighted average remaining contractual life of options outstanding at the end of the financial year was 5 years (2022: 6 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 Remuneration and Nomination 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 Remuneration and Nomination Committee.

Set out below are summaries of performance rights granted under the plan:

	NUMBER OF RIGHTS	
	2023	2022
Outstanding at the beginning of the financial year	800,131	-
Granted	4,653,876	800,131
Exercised	(91,579)	-
Expired	(401,766)	-
Outstanding at the end of the financial year	**4,960,662**	**800,131**
Exercisable at the end of the financial year	**-**	**160,026**

For the options 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	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE
01/07/2022	30/06/2029	$0.54	$0.49	-	3.69%	$0.530
01/01/2023	31/12/2029	$0.37	$0.37	-	3.69%	$0.360

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	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE
29/11/2022	31/08/2023	$0.41	$0.00	-	3.16%	$0.410
29/11/2022	31/08/2024	$0.41	$0.00	-	3.20%	$0.410
29/11/2022	31/08/2025	$0.41	$0.00	-	3.24%	$0.410

NOTE 38. EVENTS AFTER THE REPORTING PERIOD

On 8 August, the Victorian Gambling and Casino Control Commission (VGCCC) charged the Group for allegedly unlawfully displaying three gambling advertisements on billboards in prohibited locations during FY23. The VGCCC has stated that BlueBet faces 43 charges for allegedly contravening section 4.7.1 of the Gambling Regulation Act 2003, relating to the positioning of advertising billboards. If BlueBet is found guilty of all the charges, it faces a maximum fine of up to $954,187. An initial court hearing into the matter is scheduled for 18 September 2023.

The Group considers that there may be reasonably arguable grounds to contest the charges. Alternatively, there are grounds to support the number of charges being reduced and therefore substantially reduce the quantum of potential penalty. Although the proceedings remain at a preliminary stage, a reasonable forecast is that number of charges could be reduced significantly below the 43 charges currently alleged and the penalty imposed for any proven charge will be significantly below the maximum penalty. The Group has recorded a provision that represents their best estimate of the ultimate outcome of this matter.

No other matter or circumstance has arisen since 30 June 2023 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.

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 2023 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

31 August 2023

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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 2023, 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 2023 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'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 2023 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 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.

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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.

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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 6 to 14 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of BlueBet Holdings Limited for the year ended 30 June 2023, 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

Ernst & Young

Simon Hannigan
Partner
Sydney
31 August 2023

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 1 August 2023.

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	1,891	0.50	-	-
1,001 to 5,000	1,946	2.61	-	-
5,001 to 10,000	627	2.47	-	-
10,001 to 100,000	809	12.13	-	-
100,001 and over	101	82.29	-	-
	5,374	100.00	-	-
Holding less than a marketable parcel	-	-	-	-

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	83,157,894	41.54
Mr Bill Richmond	16,241,776	8.11
Mr Duncan McRae	16,241,776	8.11
Seymour Group Pty Ltd	3,980,000	1.99
Mr Harry Pratt	3,898,028	1.95
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
Investment Holdings Pty Ltd (Investment Holdings Unit A/C)	2,000,000	1.00
Citicorp Nominees Pty Limited	1,507,516	0.75
Mr Mark Anthony Fitzgerald	1,493,549	0.75
Gurravembi Investments Pty Ltd	1,360,903	0.68
Bt Portfolio Services Limited (Warrell Holdings S/F A/C)	1,250,000	0.62
Mr Gordius Mak	1,106,055	0.55
Kizoz Pty Ltd (Superfund A/C)	1,000,000	0.50
NDPM Pty Ltd (Morris Family Super Fund A/C)	1,000,000	0.50
Bettube Corporations Limited	965,000	0.48
HSBC Custody Nominees (Australia) Limited	801,570	0.40
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd (DRP A/C)	643,079	0.32
	147,041,882	**73.45**

UNQUOTED EQUITY SECURITIES

	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options over ordinary shares issued	10,007,441	28
Performance share rights	4,900,631	34

SUBSTANTIAL HOLDERS

Substantial holders in the company are set out below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Mr Michael Sullivan	83,157,894	41.54
Mr Bill Richmond	16,241,776	8.11
Mr Duncan McRae	16,241,776	8.11

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.


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