

12 July 2017

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2017

Highlights

- Strong quarterly wagering and tournament turnover of over \$42.459 million up 220% since March 2017 quarter
- Robust quarterly revenue growth of over \$2.282 million - up 158% since March 2017 quarter
- Strong quarterly growth in Active Users to 9,083, up 28% since the March 17 quarter
- Wholesale wagering business The Global Tote delivering results through TopBetta platform
- Estimated \$200 million wagering commitment for The Global Tote from top Australian punter
- Retail wagering business accelerated with acquisition of Mad Bookie
- Over \$2.1 million raised via a placement and Share Purchase Plan during the quarter

The Board of TopBetta Holdings Limited (ASX: TBH) (the “Company”) is pleased to provide shareholders with an overview of the quarterly activities for the quarter ending 30 June 2017 (“Quarter”).

Total turnover was at \$42.459 million for the Quarter (up from \$13.249 million the previous quarter ending 31 March and compared with \$11.173 million in the quarter ending 30 June 2016).

The strong growth has been underpinned by the launch of the wholesale product, The Global Tote, by the Company’s wholly-owned subsidiary, The Global Tote Ltd (“TGT”) on May 4, and completion of the Mad Bookie Pty Ltd (“Mad Bookie”) acquisition by the Company’s retail wagering division on May 2.

TGT is now focused on further expansion of The Global Tote, including opening more pools daily on Australian race meetings and opening in International markets over the next 6 months.

The Company is also well placed to accelerate its retail wagering business for the Australian Spring Racing Carnival and AFL and NRL football finals as part of the next quarter’s priority marketing activity.

Active Users and Revenue

With the acquisition of Mad Bookie Pty Ltd and the launch of The Global Tote during the quarter, the Company’s turnover and revenue numbers increased significantly. The Company recorded 9,083 Active Users for the June Quarter compared to 7,106 in the quarter ending March 2017. Wagering and Tournament turnover for the Quarter was up 220% to \$42.459 million and revenue increased by 158% to \$2.282 million¹.

The total revenue reported during the quarter (including wagering, tournament, content and other) was up 114% to \$2.576 million.

	JUN '16	SEP '16	DEC '16	MAR '17	JUN '17	% Increase - Qtr JUN'17 v MAR'17	% Increase - YoY JUN'17 v JUN'16
Total quarterly active unique clients	5,945	5,430	8,730	7,106	9,093	↑ 28%	↑ 53%
Wagering and Tournament Turnover ('000)	\$11,173	\$12,050	\$14,634	\$13,249	\$42,459	↑ 220%	↑ 280%
Wagering and Tournament Revenue ('000)	\$916	\$903	\$1,020	\$884	\$2,282	↑ 158%	↑ 149%
Total revenue, including Wagering Tournament, Content and Other ('000)	\$1,432	\$1,297	\$1,377	\$1,203	\$2,576	↑ 114%	↑ 80%

¹ All figures quoted in this Announcement are unaudited.

The Global Tote

The Company's wholly-owned subsidiary, TGT, is licensed in Alderney, UK, with race day operations in Sri Lanka.

Further to The Global Tote launch on May 4, the Company announced its deal on June 15 with one of Australia's largest punters, Sean Bartholomew, who has entered an agreement to bet more than \$200 million into win and place pools on The Global Tote product through TopBetta's platform ("TopBetta") over the next 12 months.

It is expected that all Australian racing products will be available on The Global Tote within the current quarter, along with International racing markets such as the previously announced UK Racing and British Greyhound racing content.

Development for the integration of The Global Tote offering on the Mad Bookie platform is expected to be completed shortly and launching within this quarter.

As previously announced, The Global Tote Ltd has an Agreement in place with Ladbrokes Australia. The Company and Ladbrokes have agreed to delay integration discussions until The Global Tote is fully operational across all racing products and timing for the development can be accommodated. It is not expected that this integration will happen prior to the Australian Spring Racing Carnival this year.

TGT is in discussions with other major operators within Australia and internationally and is now focused on further expansion of The Global Tote into international markets which is expected to occur over the next 6 months, with approvals pending for operations in UK and US markets which are expected to be received imminently. The Company will update the market in respect of these approvals in due course.

Retail Wagering

The retail wagering business unit comprises of both the TopBetta brand and the recently acquired online bookmaker, Mad Bookie.

Through the acquisition of the Mad Bookie brand and client base, the Company has seen an increase in Active Users and revenue. During the quarter, the Company had anticipated that the Mad Bookie acquisition would drive turnover for the business unit to over \$20M for the June quarter. With the quarterly numbers now received, the Board is extremely pleased with the increase in turnover up 220% to \$42.459 million and total group revenue up 114% to \$2.576 million.

Business Update

During the quarter, the Company completed a \$1.5 million placement to sophisticated and institutional investors at 16 cents per share. In addition, the Company also launched a Share Purchase Plan ("SPP") to raise \$500,000 at the same price. The SPP was heavily oversubscribed and the Company had received over \$2.14 million in interest from shareholders. As announced in the SPP, the Company elected to accept oversubscriptions and the SPP closed raising \$614,160.

The funds raised from the placement and the SPP have assisted the Company's Alderney-based subsidiary, TGT, to accelerate the recently launched The Global Tote product in Australia and internationally as well as provide working capital for the overall business.

As part of the Company's focus on TGT's wholesale product, The Global Tote, and TopBetta's retail wagering platform as two major revenue drivers, the Board has supported management in a reallocation of resources and budgets from its content business, 12Follow, and e-Sports division, GameBetta.

The TopBetta fantasy tournaments continue to be a major part of the Company's longer term strategy however allocated resources have also been scaled back to enable the business to deliver on its wagering and wholesale model and optimise the opportunity for the fantasy tournament product under the longer term strategy.

TopBetta CEO Todd Buckingham commented: *"This is an exciting time for the Company's businesses after TGT completing its development phase and moving into execution. While the growth numbers look promising, we are certainly not getting ahead of ourselves as we still have a long way to go. I am personally excited about the international opportunities that we have been working on over a long period and we now have a very strong base to spring from."*

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Disclaimer

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- (a) assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- (b) current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

The forward-looking statements contained within the announcement are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include: general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; technology and infrastructure; conduct of contracted counterparties; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statement to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The data, projections or forecasts included in this announcement have not been audited, examined or otherwise reviewed by the independent auditors of the Company. You must not place undue reliance on these forward-looking statements.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

TopBetta Holdings Limited

ABN

21 164 521 395

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,748	7,501
1.2 Payments for		
(a) research and development	(447)	(1,791)
(b) product manufacturing and operating costs	(1,319)	(2,832)
(c) advertising and marketing	(1,017)	(3,430)
(d) leased assets	(31)	(141)
(e) staff costs	(690)	(2,213)
(f) administration and corporate costs	(798)	(2,934)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	28
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	561
1.8 Other (expenses for licences and Global Tote launch)	(115)	(874)
1.9 Net cash from / (used in) operating activities	(672)	(6,131)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(10)	(263)
	(b) businesses (see item 10)	(100)	(150)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	(200)	(200)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(310)	(613)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,114	7,716
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(140)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,108	7,576

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,142	2,436
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(672)	(6,131)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(310)	(613)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,108	7,576
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	3,268	3,268

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,068	1,942
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Bank Guarantee for NT licence)	200	200
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,268	2,142

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	114
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Excludes payment to CEO for employee services as CEO of \$50K. CEO holds unpaid position as director.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(448)
9.2 Product manufacturing and operating costs	(2,082)
9.3 Advertising and marketing	(1,278)
9.4 Leased assets	(44)
9.5 Staff costs	(703)
9.6 Administration and corporate costs	(774)
9.7 Costs for UK and US Licences - Global Tote and TopBetta	(151)
9.8 Total estimated cash outflows	(5,480)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 12 July 2017
(Director/Company secretary)

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.