

22 January 2018

**TBH QUARTERLY TRADING UPDATE FOR PERIOD ENDING 31 DECEMBER 2017:**

**TURNOVER \$82.91M<sup>1</sup>, REVENUE \$6.92M<sup>1</sup>, ACTIVE USERS 14,223**

**Highlights**

- Turnover up 52% from September quarter to \$82.91M
- Total revenues up 95% from September quarter to \$6.92M
- Active Unique Client numbers up 30% from September quarter to 14,223
- TopBetta generated race field fees of \$1.59M during quarter (up from \$0.94M in the September quarter) for Australian racing bodies

The Board of TopBetta Holdings Limited (ASX: TBH) (“TopBetta” or the “Company”) is pleased to provide an update on the Company’s activities for the quarter ended 31 December 2017.

The Company recorded wagering and tournament turnover for the quarter of **\$82.91M<sup>1</sup>, up 52% on the previous quarter** (from \$54.62M<sup>1</sup> in the September quarter) and a significant uplift on the previously announced forecast of \$75M. The two major drivers of increased turnover have been pleasing growth of the Company’s wholly-owned Alderney-based subsidiary, The Global Tote Ltd (“The Global Tote”), through its pooled betting platform, and a solid quarterly period for the Australian retail platform (topbetta.com.au), which focused on aggressive customer acquisition over this period to maximise exposure during Victorian Racing’s Spring Carnival.

As a result of these marketing initiatives and promotions, the Company grew its Active Unique Clients **by 30%** from the previous quarter to **14,223** from 10,904.

This has resulted in Wagering and Tournament revenue for the December quarter being **up 100%** on the previous quarter to **\$6.68M<sup>1</sup>** (up from \$3.34M<sup>1</sup> in the September quarter). Total revenue for the quarter was **up 95%** from the previous quarter to **\$6.92M<sup>1</sup>** (up from \$3.55M<sup>1</sup> in the September quarter).

|  | 31-Dec-16 | 31-Mar-17 | 30-Jun-17 | 30-Sep-17 | 31-Dec-17 | % Increase<br>Dec17 vs<br>Sep17 % Qtr<br>change |
|--|-----------|-----------|-----------|-----------|-----------|---|
| Total quarterly active unique clients                                  | 8,730     | 7,106     | 9,093     | 10,904    | 14,223    | ↑ 30%   |
| Wagering and tournament turnover ('000)                                | \$14,634  | \$13,249  | \$42,459  | \$54,621  | \$82,906  | ↑ 52%   |
| Wagering and tournament revenue ('000)                                 | \$1,020   | \$884     | \$2,282   | \$3,337   | \$6,680   | ↑ 100%  |
| Total revenue including Wagering, Tournament, Content and Other ('000) | \$1,377   | \$1,203   | \$2,576   | \$3,553   | \$6,915   | ↑ 95%   |

**TopBetta’s Managing Director, Todd Buckingham, commented:** “I am pleased to update shareholders that the Company is exactly where we thought it would be regarding total Company turnover, if not slightly exceeding our own expectations, which has resulted in healthy revenue growth. Our Active Unique Client number (14,223) is the highest it has been and it positions us well for a strong 2018.

*“During the December quarter, the Company generated **\$1.59M**<sup>1</sup> for Australian racing bodies through Race Fields fees and over **\$2.5M**<sup>1</sup> for the half year up until December 31<sup>st</sup>, which would be a very pleasing result for the racing industry.”*

### **The Global Tote International Distribution Agreements**

During the December Quarter the Company announced that The Global Tote, which is licenced in Alderney (UK), had entered into two global agreements.

#### **Official UK Totepool**

On 22 December 2017, the Company announced that The Global Tote had signed an agreement with the Official UK Totepool, Totepool Alderney Limited (“Totepool”), which provides the opportunity for The Global Tote’s pools to be distributed through more than 10,000 UK and European betting shops and some of the world’s top global wagering websites.

Under the terms of the agreement, UK wagering operators will be able to offer punters access to The Global Tote pools on Australasian Racing for the first time via the Totepool platform.

Totepool is currently integrated into more than 9,000 betting shops in the UK and Ireland, as well as 5,000 outside of the UK, and is on some of the world’s biggest betting company websites such as Betfred, Betfair, Skybet and Paddy Power. The commercial in confidence agreement between The Global Tote and Totepool, a division of Betfred and the current exclusive operator of UK’s racing tote, commenced on 1 January 2018 and is subject to usual approvals from all racing bodies. Under the agreement, The Global Tote will receive a commission of 2% of the net pool distribution after payment of all applicable taxes, levies and racefield fees.

#### **US Distribution Agreement with WatchandWager.com**

On 27 December 2017, the Company announced that The Global Tote had signed a distribution deal with US-based WatchandWager.com LLC (“WatchandWager.com”). Under the agreement WatchandWager.com will become the first American partner of The Global Tote’s pools with North American punters able to bet on Australian thoroughbred, harness and greyhound fixtures.

<sup>1</sup> *All financial figures contained in this Announcement are provided on an unaudited basis.*

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