

30 January 2017

WAGERING AND TOURNAMENT TURNOVER UP 21% QUARTER-ON-QUARTER

The Board of TopBetta Holdings Limited (ASX: TBH) (“TopBetta” or the “Company”) is pleased to provide the following update on the Company’s activities for the quarter ended 31 December 2016.

Highlights:

- Active unique clients increased by 61% on the back of effective marketing campaigns over the Spring Carnival
- Wagering and tournament turnover grew quarter on quarter by 21% to ~\$14.5M
- Wagering and tournament betting revenue grew quarter on quarter by 13% to ~\$1.3M
- 1,791 Racing and Sports Tournaments held during the quarter
- Successful capital raise of \$3M closed at an 11% premium to the last trade
- Australian Racing bodies approve The Global Tote
- Ladbrokes signs on as first wagering operator to integrate The Global Tote

Active Users and Revenues

During the quarter the Company’s Active Users¹ increased by 61% for the quarter to the 8,730.

The Company has seen unaudited turnover and revenues which is outlined in the table below:

	31-Dec-15	31-Mar-16	30-Jun-16	30-Sep-16	31-Dec-16	% Increase Dec16 vs Sep16 % Qtr change	% Increase Dec16 vs Dec15 % YoY change
Total quarterly active unique clients	2,882	4,247	5,945	5,430	8,730	↑ 61%	↑ 203%
Wagering and tournament turnover ('000)	\$3,807	\$7,485	\$11,173	\$12,050	\$14,634	↑ 21%	↑ 284%
Wagering and tournament revenue ('000)	\$372	\$487	\$916	\$903	\$1,020	↑ 13%	↑ 174%
Total revenue including Wagering, Tournament, Content and Other ('000)	\$773	\$830	\$1,432	\$1,297	\$1,377	↑ 6%	↑ 78%

TopBetta’s CEO, Todd Buckingham, said “While our core business has performed strongly in regard to Active Users and Turnover, our margins (Revenue) were impacted by some wagering products not performing well. With the anticipated release of The Global Tote, TopBetta expects to increase margins across all of its racing products.

Content and Other revenue has remained relatively flat while we have focused the Company’s efforts on client acquisition for our retail business and also The Global Tote.”

We are pleased with our client acquisition strategies through the Spring Racing Carnival which has seen a significant uplift in Active Users and the team continued to make significant improvements to our user interface and user experience.”

Successful placement and issue of shares

On 30 November, the Company completed the issue and allotment of 15,000,000 fully paid ordinary shares (Placement) to raise \$3 million (before costs) at 20 cents per share from sophisticated and institutional investors.

¹ TopBetta defines an “Active User” to be a customer who has transacted with the business in cash during the quarter (ie place a bet, entered a tournament or purchased a premium product).

The Placement was completed at a share price which was at an 11% premium to the last traded share price. This allowed the Company to strengthen the Company's balance sheet and better position TopBetta to fast track the launch of The Global Tote.

The Global Tote

During the quarter, the Company announced that The Global Tote Limited had received approvals from Racing NSW in respect of NSW thoroughbred racing, Greyhound Racing Victoria and Racing Queensland (including racing, harness and greyhounds), Racing Victoria for thoroughbred racing, and Canberra Racing Club for thoroughbred, harness and greyhound racing.

On 1 December, the Company announced that corporate bookmaker Ladbrokes.com.au, the Australian subsidiary for the UK parent and world wagering leader Ladbrokes Coral Group plc., signed on as the first wagering operator to commit to using The Global Tote. The new deal allows Ladbrokes.com.au to offer its punters The Global Tote odds as an alternative to existing tote derivative products subject to integration works being completed and regulatory approvals being received.

TopBetta's CEO, Todd Buckingham, said: *"It has certainly been a busy quarter again for the Company achieving some key milestones and continued growth post the Spring Racing Carnival."*

After getting through these milestones, management believes that we are well positioned to leverage from these achievements not only from the current quarter but all the achievements since being listed on the ASX, a little more than 12 months ago."

We are looking forward to the next 12 months as we continue to innovate and produce unique products within the Global Wagering landscape."

For further information, please contact:

Charly Duffy
Company Secretary
companysecretary@topbetta.com
+ 61 (0) 409 083 780

Jane Morgan
Investor & Media Relations
investors@topbetta.com
+ 61 (0) 405 555 618

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.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations 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; 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 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 projections or forecasts included in this presentation 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

TopBeta Holdings Limited

ABN

21 164 521 395

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,502	2,573
1.2 Payments for		
(a) research and development	(448)	(897)
(b) product manufacturing and operating costs	(610)	(1,099)
(c) advertising and marketing	(893)	(1,712)
(d) leased assets	(34)	(74)
(e) staff costs	(505)	(1,007)
(f) administration and corporate costs	(752)	(1,372)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	21
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (expenses for licences and Global Tote launch)	(313)	(524)
1.9 Net cash from / (used in) operating activities	(2,046)	(4,091)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(23)
(b) businesses (see item 10)	(50)	(50)
(c) investments		
(d) intellectual property		
(e) other non-current assets		
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	(58)	(73)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,000	5,602
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		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings	(1)	(131)
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	2,999	5,471

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	2,848	2,436
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,046)	(4,091)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(58)	(73)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,999	5,471
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	3,743	3,743

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	3,543	2,648
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)	3,743	2,848

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	105
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	

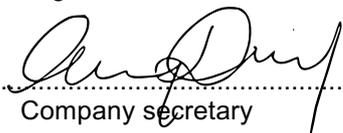
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description 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	(444)
9.2 Product manufacturing and operating costs	(1,010)
9.3 Advertising and marketing	(717)
9.4 Leased assets	(47)
9.5 Staff costs	(653)
9.6 Administration and corporate costs	(817)
9.7 Costs for UK & Global Tote Licence, Global Tote launch	(54)
Acquisition of Property Plant and Material (Global Tote IT equipment)	(293)
Modern Wagering Systems and Datacast IP and distribution agreement	(200)
9.8 Total estimated cash outflows	(4,235)

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: 
 Company secretary

Date: 30 January 2017

Print name: Charly Duffy

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.