

13 January 2017

AGREEMENT TO ENHANCE TOPBETTA PRODUCT OFFERING

- Binding Heads of Agreement signed for exclusive IP rights to technology specific to The Global Tote
- Consideration payable to comprise shares (part escrowed) and cash
- Key stakeholders to be invested in TBH and in particular The Global Tote
- Exclusivity over MWS tote system software platforms with continued irrevocable license

The Board of TopBetta Holdings Limited (ASX:TBH) (“**TopBetta**” or “the **Company**”) is pleased to announce that it has entered into a binding, conditional Heads of Agreement (“**HOA**”) with Australian wagering technology company, Modern Wagering Systems Pty Ltd (“**MWS**”) and Live Datacast Pty Limited (“**Live Datacast**”) pursuant to which the rights to The Global Tote technology will be assigned, or exclusively licensed, to TopBetta’s wholly owned subsidiary, The Global Tote Limited (**TGT**).

As previously announced, MWS is a wagering technology company which has developed proprietary tote software platforms (**MWS Systems**). Since the Company’s investment in MWS in April 2016, MWS has developed custom software components for TGT which, in conjunction with TopBetta’s and MWS’ existing wagering technologies, comprise the world-first B2B only tote derivative product, The Global Tote. Live Datacast has provided key consultancy services for the commercial and strategic development of The Global Tote launch. Initially, this joint venture provided for MWS and Live Datacast to provide these services in exchange for 5% each of TGT (**Original Agreement**).

Pursuant to the HOA, on Completion, MWS will assign to TGT all intellectual property rights in the customised software components developed for The Global Tote and grant an irrevocable, perpetual, royalty free licence to TGT to use the MWS Systems for The Global Tote. This licence is to be exclusive for the first 2 years from Completion, and non-exclusive thereafter. TopBetta will be appointed as the exclusive wholesale distributor for MWS Systems for 2 years on the revenue share arrangement outlined in the ASX Announcement dated 9 March 2016.

The Global Tote will also be looking to partner with Live Datacast to distribute the live odds feed for The Global Tote product into its partners site(s), along with Live Datacast being a wholesaler for the distribution of the RISA feeds and information.

In consideration for the services provided by MWS and Live Datacast, subject to the Conditions Precedent outlined below, TBH has agreed to:

- pay to each of MWS and Live Datacast \$100,000 on Completion;
- issue a total of 3.5 million fully paid ordinary shares in the capital of TopBetta to MWS and Live Datacast (in equal proportions). 2.5 million of these shares will be subject to escrow for 12 months from the date of issue;
- cancel its partly paid shares in MWS (\$150,000 paid) for nil consideration; and
- terminate its call option over MWS Shares.

Completion of the transaction is conditional on the satisfaction (or waiver by TopBetta) of the following conditions:

- TopBetta obtaining such shareholder or other approvals it requires in respect of the transaction. TopBetta intends to call a shareholder meeting within the next 4 weeks;
- completion of the development of The Global Tote software to TGT's sole satisfaction and The Global Tote being publicly launched; and
- execution of customary transaction documentation.

In the event that the transaction does not complete within 2 months, TGT will acquire the rights to The Global Tote software pursuant to the Original Agreement (subject to any amendments required).

In relation to the revised structure and the development of The Global Tote, TopBetta's Managing Director, Todd Buckingham, said:

"We welcome the teams at MWS and Live Datacast into the TBH team. The experience in wagering technology platforms and data distribution that we have gained through this deal is significant and we welcome the new expertise as part of this very exciting journey."

"We believe The Global Tote is the most innovative product to hit the market in many years and the excitement of all parties that have been involved in the execution so far is infectious."

"Racing bodies, wagering operators and all punters – both the professional punters and the often forgotten recreational punters - will benefit from this product. We believe this is the first time that all parties can work together to ensure it is a win for all stakeholders."

"When we develop concepts for products at TBH, we ensure that the recreational punter is at the front of mind, and The Global Tote ensures punters from all over the world can now bet on a level playing field." Buckingham said.

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