

31 October 2017

**QUARTERLY UPDATE AND APPENDIX 4C
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

Highlights

- **Wagering and tournament turnover up 29% QoQ to \$54.62M**
- **Active User numbers continue to grow with 20% increase from June quarter to 10,904**
- **Cash receipts from customers during the quarter at \$4.1M**
- **Global Tote turnover for the quarter totalled \$22.58M (up from \$8.96M the previous quarter)**

As TopBetta Holdings Limited (ASX: TBH) (“TopBetta” or the “Company”) continues to grow its retail and wholesale divisions, the Board of TopBetta is pleased to provide the following update on the Company’s activities for the quarter ended 30 September 2017.

Wagering and Tournament turnover

The Company had quarterly turnover of \$54.62M (unaudited) which was up 29% QoQ and which represented an uplift of 353% increase on the same quarter last year.

Active Users

As announced to the market on 5 October 2017, the Company reported 10,904 Active Users during the September quarter which was up from 9,093 reported in the June quarter.

Cash Receipts & Cashflow

Unaudited Cash Receipts from customers has increased to \$4.11M up from \$3.75M at the end of the previous quarter.

During the quarter, product, manufacturing and operating costs increased as a direct result of the increase in wagering turnover. In turn, the significant uplift in turnover resulted in increased racing body fees and adjusted payment terms due to TopBetta’s turnover moving into higher turnover brackets applicable to some racing bodies.

The previous June quarter also included a one-off uplift in player funds associated with the acquisition of the Mad Bookie business.

The increase in advertising and marketing spend, compared to the prior quarter, resulted in more than 5,000 new client acquisitions which gave an overall 20% increase in Active Users. This increase mitigated the removal of all content Active Users from previous quarters and a reduction in tournament players as the business moved to focus on retail and wholesale wagering.

Administrative and corporate costs increased compared to the prior quarter due to various one-off costs including payment of annual public company costs, expenses relating to the launch of The Global Tote data feeds by the Company's wholly owned Alderney-based subsidiary, The Global Tote Limited ("TGT"), and general legal costs associated with international licensing of both The Global Tote and TopBetta Pty Ltd's retail business.

Global Tote Update

As announced on 5 October 2017, the September quarter was the second period of reporting for the Company to include revenues from TGT's B2B product, Global Tote, which has continued to increase coverage on Australian and international race meetings for approved bookmakers.

Global Tote turnover for the quarter totalled \$22.58M (unaudited) (up from \$8.96M the previous quarter) as highlighted below.

Global Tote June 2017 v September 2017

GLOBAL TOTE	June Quarter 2017	September Quarter 2017
Turnover	\$8.96M	\$22.58M
Meetings	180	488
Races	1693	4333

TopBetta's Managing Director, Todd Buckingham commented: *"The first quarter of FY17 has been a significant quarter in terms of building the base for the Company. We have capitalised on a number of opportunities and it was pleasing to see the continual growth across our wagering divisions.*

The Company raised \$9M via a placement, which has allowed us to accelerate the roll out of a number of initiatives around our retail business here in Australia and also tick off some regulatory requirements to move into other international markets."

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

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")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,112	4,112
1.2 Payments for		
(a) research and development	(447)	(447)
(b) product manufacturing and operating costs	(2,756)	(2,756)
(c) advertising and marketing	(1,625)	(1,625)
(d) leased assets	(37)	(37)
(e) staff costs	(591)	(591)
(f) administration and corporate costs	(1,285)	(1,285)
1.3 Dividends received (see note 3)		
1.4 Interest received	25	25
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	-
1.8 Other (expenses for licences and Global Tote launch)	(298)	(298)
1.9 Net cash from / (used in) operating activities	(2,907)	(2,907)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(22)	(22)
(b) businesses (see item 10)	-	-
(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	(22)	(22)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	9,007	9,007
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	(545)	(545)
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	8,462	8,462

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	3,266	3,268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,907)	(2,907)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,462	8,462
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	8,799	8,799

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	2,499	3,068
5.2 Call deposits	6,100	-
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)	8,799	8,799

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	106
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	(3,347)
9.3 Advertising and marketing	(1,884)
9.4 Leased assets	(40)
9.5 Staff costs	(967)
9.6 Administration and corporate costs	(980)
9.7 Costs for UK Licence - Global Tote and TopBetta	(302)
9.8 Total estimated cash outflows	(7,965)

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: 31 October 2017
 (Company secretary)

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.