

31 January 2018

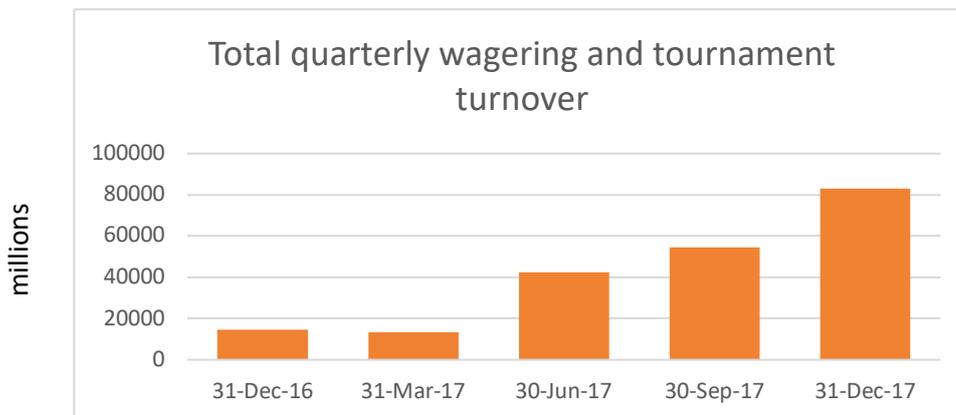
TopBetta Holdings Limited December 2017 Quarterly Report, Appendix 4C

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

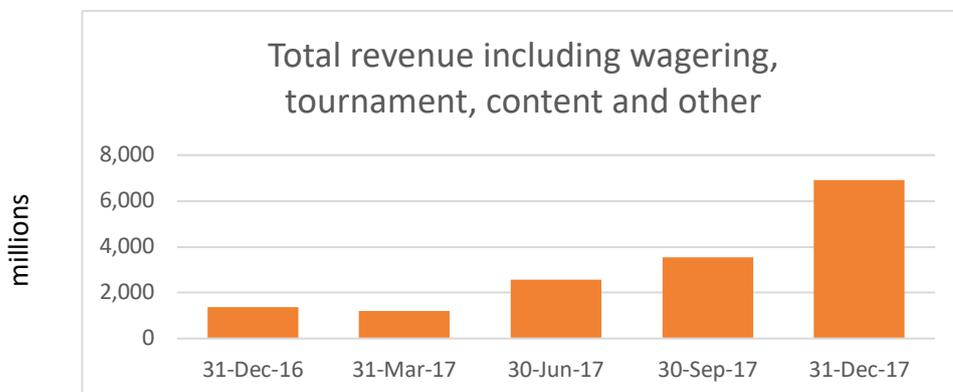
The Company continued its strong growth during the quarter across key metrics of Active Unique Clients (up 30% on the previous quarter), Turnover (up 52%) and Revenue (up 95%). The increase in turnover was attributed to the Spring Carnival Racing period and an increase in the marketing activity by the Company’s wholly-owned Alderney-based subsidiary, The Global Tote Limited (“The Global Tote”), for its wholesale product.

As announced on 22 January 2018, the Company released an update to the market on the December 2017 quarter numbers as follows:

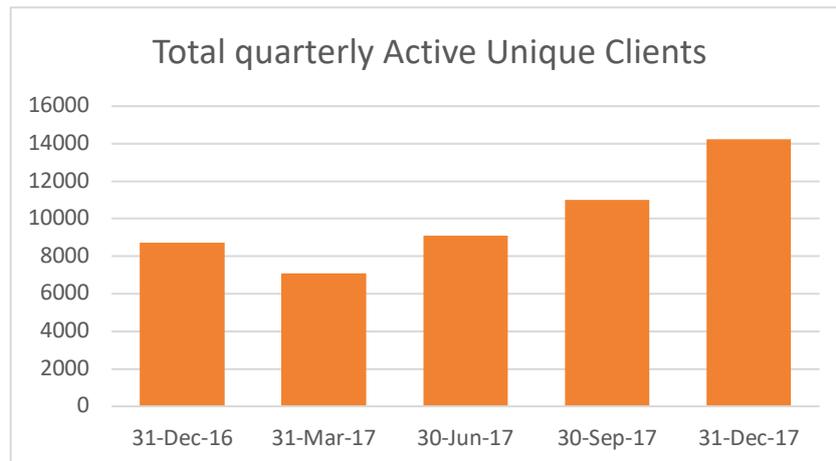
The Company recorded wagering and tournament turnover of \$82.91M, which is a 52% increase on the September 2017 quarter.



The increase in turnover resulted in a revenue increase of 95% from the previous quarter - from \$3.55M to \$6.92M.



Active Unique Clients increased by 30% compared with the previous quarter (up to 14,223 from 10,904).



Operating cash outflow – Actual December 2017 quarter compared with September 2017 quarter actual and forecast

During the December quarter, to capitalise on the Australian Spring Racing Carnival period, the Company increased its marketing spend to \$3.28M, of which \$2.58M was attributed to client acquisitions.

Looking forward to the March 2018 quarter the Company intends to significantly reduce acquisition marketing spend as it focuses on realising the benefit of the customers acquired in the December quarter as well as the execution of The Global Tote’s wholesale strategy globally. During this quarter The Global Tote will concentrate on further integration of The Global Tote product into previously announced signed-up bookmakers’ platforms and giving them access to the tote and other revenue-generating products such as Fixed Odds, Fixed Odds exotics and Racing Informatics.

The Company anticipates it will receive its R&D grant in March, which is estimated at \$0.75M.

Estimated cash outflows disclosed vs actual	Actual Sep-17	Forecast for Dec-17 in Sep-17 4C	Actual Dec-17	Variance	
				vs Forecast in Sep-17 4C	Dec-17 vs Sep-17
Research and development	447	444	447	(-3)	(-0)
Product manufacturing and operating costs	2,756	3,347	5,185	(-1,838)	(-2,429)
Advertising and marketing	1,625	1,884	2,583	(-699)	(-958)
Leased assets	37	40	31	9	6
Staff costs	591	967	880	88	(-289)
Administration and corporate costs	1,285	980	1,272	(-292)	13
Other (provide details if material)	-	-	-	0	0
Global Tote Development	298	302	162	140	136
Total	7,039	7,965	10,561	(-2,595)	(-3,522)

As outlined in line item 2 above, “Product Manufacturing and Operating Costs” were higher than anticipated in the December quarter as the Company took the opportunity to pursue greater customer acquisition numbers for the Spring Racing Carnival, which has so far delivered a growth in Active Unique Clients, Turnover and Revenue, with further benefits expected to be realised in coming months as the newly-acquired customers continue to wager on the Company’s platforms.

TopBetta’s Managing Director, Mr Todd Buckingham, commented: “The December quarter was a pleasing strong result as best shown in the growth across all key measurable metrics of the business. We have driven hard through customer acquisition to reach this base for the retail business while at the same time establishing the wholesale business (The Global Tote) in multiple countries. The Company still remains in a strong position financially with a \$4.7M cash balance and will now be focussing on reducing the cost base of the retail business while it focuses on the roll-out of The Global Tote’s suite of products on to wagering operators’ platforms globally.”

* All financial figures contained in this Announcement are provided on an unaudited basis.

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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:

- 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
- 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 statements 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 2017

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	6,926	11,038
1.2 Payments for		
(a) research and development	(447)	(894)
(b) product manufacturing and operating costs	(5,185)	(7,941)
(c) advertising and marketing	(2,583)	(4,208)
(d) leased assets	(32)	(69)
(e) staff costs	(880)	(1,471)
(f) administration and corporate costs	(1,272)	(2,557)
1.3 Dividends received (see note 3)		
1.4 Interest received	24	49
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	2	2
1.8 Other (expenses for licences and Global Tote launch)	(162)	(460)
1.9 Net cash from / (used in) operating activities	(3,609)	(6,516)

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	(27)	(49)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(500)	(500)
(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	(527)	(549)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	50	9,057
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)
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	50	8,512

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	8,799	3,266
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,608)	(2,907)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(527)	(22)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	50	8,462
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	4,713	8,799

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	2,411	2,499
5.2 Call deposits	2,102	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)	4,713	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	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	(447)
9.2 Product manufacturing and operating costs	(5,886)
9.3 Advertising and marketing	(600)
9.4 Leased assets	(31)
9.5 Staff costs	(872)
9.6 Administration and corporate costs	(940)
9.7 Costs for UK Licence - Global Tote and TopBetta	(150)
9.8 Total estimated cash outflows	(8,927)

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 January 2018
(Director/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.