

14 June 2018

TBH EXPANDS WHOLESALE OFFERING BY ACQUIRING 100% OF WORLD-CLASS DATA FEED COMPANY

“TBH continues to execute on its wholesale business strategy with a range of initiatives”

Highlights

- **TBH enters into a conditional, binding Heads of Agreement to acquire data and betting tools provider, DynamicOdds.com.au**
- **DynamicOdds provides live data solutions to Australia’s Principal Racing Authorities**
- **DynamicOdds provides the tools for bookmakers to power their fixed odds products**
- **DynamicOdds acquisition to progress and consolidate TBH’s wholesale strategy**
- **TopBetta and MadBookie sale update**
- **Red Leaf Securities appointed as Corporate Advisor**

TopBetta Holdings Limited (ASX:TBH) (“**TBH**” or the “**Company**”) is pleased to announce that it has entered into a binding, conditional heads of agreement (“**Heads of Agreement**”) to acquire 100% of the shares in data and betting tools company, DynamicOdds Pty Ltd (“**DynamicOdds**”), and its associated licensing brands (“**Assets**”) (<http://www.dynamicodds.com.au/>) (“**Acquisition**”). The DynamicOdds brand is a provider of wagering data in Australia and currently supplies data feeds to (and delivers data on behalf of) Australia’s Principal Racing Authorities as well as a number of Australia’s licensed bookmakers and sophisticated punters. The data feeds provided by DynamicOdds are a key component for bookmakers both online and on-track in their fixed odds pricing models.

TopBetta’s CEO, Todd Buckingham commented: *“DynamicOdds has developed a reputation as a respected provider of data and betting tools within the Australian racing industry and is a perfect fit for the TBH wholesale business model.*

“We’re excited about the opportunity to continue to develop and enhance the current technology stack that helps punters make bets, and bookmakers take bets. At the same time, we also see a huge opportunity to expand the business into other verticals via partnerships with sporting and racing bodies globally. This acquisition is the perfect complementary business to continue with our Company’s growth.”

DynamicOdds CTO Karl Begg and CEO David Begg commented: *“DynamicOdds was established in 2006 as a platform for both punters and industry professionals to analyse and monitor the betting markets for the Australian racing codes.*

“Since its inception, DynamicOdds has established itself as an integral part of the Australian wagering landscape at both retail and commercial levels.

“In August 2016, Racing Victoria commissioned DynamicOdds to provide an ‘official price’ for Victorian thoroughbred racing. DynamicOdds not only supplies the systems to produce and manage the official price, but also the infrastructure to display the price via on-course display networks. The official price service was quickly adopted by all other state thoroughbred racing authorities and implemented by second quarter 2017.

“Combining both the experience and expertise of DynamicOdds, TBH and its subsidiaries, will ensure continued growth as we explore all opportunities within racing and sports markets domestically and into the UK and US markets.”

Key terms of the Heads of Agreement

TBH has agreed to purchase 100% of the shares in DynamicOdds (“**DO Shares**”), and the associated licensing brands (“**Assets**”) owned by C.D.K Software Limited (**CDK**), on the following key terms:

1. on completion of the Acquisition (“**Completion**”), TBH must issue to Dynamic IT Group Pty Ltd (or its nominee) 10m unquoted options over TBH shares, exercisable at \$0.20 per option within 2 years from the date of issue. These Options will be issued under the Company’s 15% placement capacity under ASX Listing Rule 7.1;
2. is conditional on the satisfaction or waiver of the following conditions precedent (“**CPs**”):
 - a. TBH carrying out and completing due diligence in respect of DynamicOdds and the Assets and being satisfied in its sole discretion as to results of the due diligence;
 - b. to the extent such approvals are required, TBH shareholders resolving to approve the Acquisition contemplated under this HOA, including any capital raising TBH considers necessary to complete the Acquisition; and
 - c. negotiation and execution of final documentation required to give effect to the transactions contemplated under the Heads of Agreement, including without limitation, a share and asset sale agreement and a services agreement for the provision of management and related services by the shareholders of DynamicOdds (“**DO Shareholders**”);
3. on Completion, TBH must pay:
 - a. \$1.5m in cash to the DO Shareholders in consideration for the acquisition of the DO Shares; and
 - b. \$1m in cash to CDK in consideration for the acquisition of the Assets;
4. Within 12 months after Completion, TBH must:
 - a. pay to CDK \$7.5m in cash; or
 - b. issue shares in TBH (“**TBH Shares**”) to the value of \$7.5m (“**CDK Balance**”). If TBH elects to settle the CDK Balance by issuing TBH Shares, CDK may require TBH to pay up to \$5.5m of the CDK Balance in cash, with the remainder satisfied by way of issue of TBH Shares. There is currently no agreement to issue TBH Shares to CDK or the DO Shareholders;
5. If TBH fails to discharge the CDK Balance within 12 months of Completion, TBH must transfer the DO Shares and the Assets back to the DO Shareholders and CDK (respectively) and shall not be entitled to any refund of the amounts paid in respect of DO Shares and the Assets to date;
6. If TBH wishes to sell the DO Shares or the Assets before it discharges the CDK Balance, TBH must first offer those assets for sale to the DO Shareholders and CDK (respectively) and, in any event, TBH cannot transfer the DO Shares or the Assets before it discharges the CDK Balance in full; and
7. The Heads of Agreement shall terminate on 31 July 2018 or upon the prior insolvency of either party.

About DynamicOdds

DynamicOdds provide a range of free and premium betting related services for punters, racing authorities and bookmakers. The DynamicOdds odds comparison Premium application is used by punters and bookmakers alike in Australia and consumes a range of data sources that include; fixed odds pricing, tote and exchange prices, race day control information, form, statistics and an extensive runner pricing database.

The application allows punters and bookmakers to place bets with other integrated licensed bookmakers from the one interface. A free version of the site also exists that includes price comparisons for both racing and sports betting.

DynamicOdds also powers and provides the official starting price (“**SP**”) for racing authorities such as Racing Victoria and Racing NSW and Racing Queensland.

Earn-Out payment for Mad Bookie acquisition

Further to the announcement dated 13 April 2017 (“**MB Announcement**”), the Company and Mad Bookie Pty Ltd (“**Mad Bookie**”) have finalized the Purchase Price (as defined in the MB Announcement) payable by the Company for the acquisition of the assets of Mad Bookie (“**MB Assets**”). It has been determined that the Purchase Price for the MB Assets is \$1,155,700, however, \$150,000 in payments have already been made towards the Purchase Price. In

accordance with the terms of the agreement to acquire the MB Assets, the Company is required to pay the balance of \$1,005,700 in cash, or a combination of cash and scrip, on or before June 29, 2018.

TopBetta Pty Ltd and Mad Bookie sale update

As announced to the market on the 18th April 2018 (“**PlayUp Announcement**”), TBH intends to sell the TopBetta and Mad Bookie B2C businesses to blockchain enabled global fantasy sports and online sports betting company, PlayUp Limited (“**PlayUp**”).

Subject to shareholder approval at the Company’s General Meeting called for the 18th June 2018 and the satisfaction or waiver of other conditions precedent, TBH will receive \$6M (plus GST if applicable) (“**Sale**”) as well as earning a 20% revenue share from both the TopBetta and Mad Bookie brands for a 24 month period under associated software licence and services agreements (“**Licensing and Services Agreements**”).

Further to the announcement released on 4 June 2018, the Company advises that the ASX has not granted the waiver of ASX Listing Rule 11.4 in relation to the Sale and, accordingly, the Company will be seeking shareholder approval of Resolution 1 (amongst others) at the General Meeting to be held on 18 June 2018 (“**General Meeting**”). Further details are set out in the Notice of General Meeting dated 15 May 2018.

Should shareholders approve Resolution 1 at the General Meeting, PlayUp will be required to pay the \$3m deposit to TBH by 25th June 2018. The deposit will be only be refundable if TBH does not satisfy or waive each of the conditions precedent (as detailed in the PlayUp Announcement) on or before 31 July 2018. The Licensing and Services Agreements are in the final stages of negotiation and, accordingly, it is expected that all conditions precedent will be satisfied or waived on or around 18th June 2018 (subject to shareholder approval under ASX Listing Rule 11.4 at the General Meeting) and, accordingly, completion is expected to occur, and the final additional payment of \$3m will be due and payable to TBH, on or around 25 June 2018.

Corporate Advisor Appointed

Sydney-based stockbroking firm Red Leaf Securities Pty Ltd (“**Red Leaf**”) has been appointed as Corporate Advisor to assist the Company as it focusses on executing its wholesale business strategy.

Red Leaf is a boutique broker that invests on behalf of high net worth clients and fund managers. The brokerage firm specialises in Australian equities, with a focus on undervalued small cap companies, and corporate transactions.

Red Leaf shall receive a payment of \$10,000/month for the duration of the 12-month term of the engagement (“**Term**”). The Term may be terminated by TBH by giving 2 weeks’ notice. Within 15 business days after Red Leaf first provides its services to TBH, TBH must issue to Red Leaf 2.5M unquoted options, expiring on 7 June 2020 (“**Options**”) on the following terms:

1. 500,000 Options will be exercisable at \$0.20 without any vesting conditions;
2. 500,000 options will be exercisable at \$0.30 and will vest on 7 September 2018 subject to Red Leaf continuing to be engaged by TBH at that date;
3. 500,000 options will be exercisable at \$0.40 and will vest on 7 December 2018 subject to Red Leaf continuing to be engaged by TBH at that date;
4. 500,000 options will be exercisable at \$0.50 and will vest on 7 March 2019 subject to Red Leaf continuing to be engaged by TBH at that date; and
5. 500,000 options will be exercisable at \$0.60 and will vest on 7 June 2019 subject to Red Leaf continuing to be engaged by TBH at that date.

These Options will be issued under the Company’s 15% placement capacity under ASX Listing Rule 7.1.

For further information, please contact:

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.

The forward-looking statements contained within the announcement 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; technology and infrastructure; conduct of contracted counterparties; 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 statement 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 data, projections or forecasts included in this announcement 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.