

1 June 2018

ASX Compliance Pty Ltd
Attn: Charlotte Hope, Senior Adviser
20 Bridge St
SYDNEY NSW 2000

Dear Ms Hope

Response to ASX Query regarding Appendix 4C

We refer to your letter dated 29 May 2018 in relation to the Appendix 4C lodged by TopBetta Holdings Limited ("**TBH**") on 30 April 2018. Please see below TBH's responses to your questions:

1. *Does TBH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

Yes, TBH expects to continue to have negative operating cash flows in the short term, however, it is expected that the extent of the negative operating cash flows will continue to reduce, particularly after completion of the sale of TopBetta Pty Limited ("**TopBetta**") to PlayUp Limited ("**Sale**").

2. *Has TBH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

No, TBH does not intend to raise further capital to fund its existing operations by issuing equity. As announced to the market on 18 April 2018, TBH entered into a binding heads of agreement ("**HOA**") to sell 100% of its shares in TopBetta to PlayUp Limited ("**PlayUp**") for \$6 million in cash ("**Consideration**"). Completion of the Sale is subject to the satisfaction or waiver of conditions precedent relating to TBH obtaining and complying with all requisite requirements, approvals and consents from all requisite regulatory bodies and shareholders ("**Shareholder Approval CP**") and the parties entering into formal agreements relating to the ancillary commercial arrangements contemplated under the HOA ("**Ancillary Documentation CP**").

As announced on 23 April 2018, ASX has confirmed that ASX Listing Rules 11.1.2, 11.1.3 and 11.2 do not apply to the Sale and, accordingly, the only third party approval required to satisfy or waive the Shareholder Approval CP is in connection with ASX Listing Rule 11.4 ("**LR 11.4**"). Given the Sale will provide TBH with a crucial, substantial cash injection and support its on-going operations and strategic growth objectives with revenue for a minimum period of 24 months, the Board of TBH consider that satisfying or waiving the Shareholder Approval CP as quickly as possible, thereby expediting completion of the Sale, to be very much in shareholders' best interests. In the interests of expediting completion of the Sale:

- a) TBH has submitted a waiver application to the ASX in respect of LR 11.4;
- b) TBH has called a shareholder meeting to be held on 18 June 2018 to seek approval under LR 11.4 if the Shareholder Approval CP cannot be waived earlier; and
- c) TBH has also requested other confirmations from the ASX which may assist with expediting the satisfaction or waiver of the Shareholder Approval CP. .

Importantly, TBH can waive the Ancillary Documentation CP at its discretion. Accordingly, once TBH has satisfied or waived the Shareholder Approval CP, timing of completion of the Sale, and therefore receipt of the Consideration, is within TBH's control.

Based on events to date and TBH's collaborative relationship with PlayUp, the Board is confident that completion of the Sale will occur before, or soon after, the general meeting of TBH shareholders is held.

3. *Does TBH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Yes, as disclosed to market, after completion of the Sale of TopBeta, TBH intends to invest more heavily in capitalising on the growth opportunities currently available to its wholesale business and executing on its wholesale business strategy. The Sale of TopBeta substantially reduces TBH's cost base and the cash burn associated with client acquisition and marketing costs which are required to operate in the congested Australian retail market.

4. *Please confirm that TBH is in compliance with Listing Rule 3.1 and there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to market.*

Yes, TBH confirms it is in compliance with Listing Rule 3.1 and there is no information that is required to be given to ASX about its financial condition in accordance with Chapter 3 of the ASX Listing Rules that has not already been released to the market.

5. *Please confirm that TBH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TBH with delegated authority from the board to respond to ASX on disclosure matters.*

Yes, TBH confirms that the responses to the questions above have been authorised by the Board in accordance with TBH's published continuous disclosure policy.

6. *Please also provide any other information that TBH considers may be relevant to ASX forming an opinion on whether TBH is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant that continued quotation of its securities and its continued listing).*

None.

Please let me know if you require any further information.

Kind regards



Charly Duffy
Company Secretary
TopBeta Holdings Limited



29 May 2018

Ms Charly Duffy

Company Secretary
TopBeta Holdings Limited
22 Lambton Road
Broadmeadow NSW 2292

By email: cduffy@cdandco.com.au

Dear Ms Duffy

TopBeta Holdings Limited ("TBH"): Appendix 4C Query

I refer to TBH's Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 30 April 2018 (the "Appendix 4C").

ASX notes that TBH has reported:

- negative net operating cash flows for the quarter of \$2,329,000;
- cash at the end of the quarter of \$3,328,000; and
- estimated cash outflows for the next quarter of \$6,336,000.

It is possible to conclude, based on the information in the Appendix 4C, that if TBH were to continue to expend cash at the rate indicated by the Appendix 4C, TBH may not have sufficient cash to continue funding its operations. In view of that, ASX asks TBH to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does TBH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has TBH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does TBH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that TBH is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that TBH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TBH with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that TBH considers may be relevant to ASX forming an opinion on whether TBH is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEST on Monday, 4 June 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in TBH's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TBH's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at charlotte.hope@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to TBH's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that TBH's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in TBH's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Charlotte Hope

Senior Adviser, Listings Compliance (Sydney)

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