

Beauty Health Group Limited

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ASX ANNOUNCEMENT

COMPANY AGREES TO ACQUIRE THE TOPBETTA GROUP OF ONLINE SOCIAL GAMING COMPANIES, CONDUCT A CAPITAL RAISING AND APPLY FOR RE-QUOTATION OF ITS SHARES ON ASX

Beauty Health Group Limited (**ASX: BHG**) is delighted to announce its intention to enter into the online social gaming and wagering sector through the proposed acquisition of 100% of the TopBetta Group of company's from Australian social media company OM Group Holdings Pty Ltd. The Company also proposes to undertake a \$5 million capital raising and to seek re-quotations of its shares on ASX.

TopBetta is one of the world's first online social betting platforms for sports and racing tournaments that enables sports fans to compete against each other rather than against a "bookie". The TopBetta gaming platform which won the "Social Gaming Operator of the Year" Award in 2014 and again in 2015* also provides "free to play" tournaments that enable players to win cash prizes competing against each other introducing a whole new audience to the rapidly growing online social gaming and wagering market.

HIGHLIGHTS:

- **Acquisition of 100% of the shares in the TopBetta Group of companies which operates online social gaming and wagering platforms that enable users to compete against each other rather than a "bookie"**
- **Company has been operating since 2010 and has established a firm foothold in the online social wagering and gaming space**
- **Incoming Managing Director, Todd Buckingham, has had an extensive career in the sporting and wagering industries with over 15 years experience in the sector and has assembled an experienced team of social gaming, sports, IT and marketing professionals**
- **Company (to be renamed TopBetta Limited) will undertake a restructuring and prospectus capital raising to raise between \$3m and \$5m and, subject to satisfying the requirements of ASX and ASIC will seek to have its shares re-quoted on ASX in mid 2015**

Further information in relation to the proposed transaction, prospectus capital raising and application for re-quotations of the Company's shares on ASX is set out below:

- *E-Gaming Review 2014 and 2015*

1. THE COMPANY

The Company was established by a group of gaming and IT professionals led by Todd Buckingham in 2010 to develop a range of innovative online social gaming and wagering platforms to take advantage of new technologies and the rapid growth of online social gaming products. The Company has invested significant sums building its platforms to acquire and then retain its customers.

The Company's monthly revenues have increased by approx. 300% from \$40,000 per month in July 2014 to \$120,000 per month in January 2015 and the Company has established strategic alliances with companies including Fairfax Media and The Punters Show.

2. COMPANY STRATEGY

The Company is continuing to fine tune and expand its online social gaming and wagering platforms and develop new and innovative products for its existing customers and to attract new customers. The Company is particularly focused on cost effective customer acquisition and its model has enabled it to achieve a very low customer acquisition cost while at the same time achieving a high customer retention rate. The Company also uses its range of products and platforms to upsell its customers into longer term and more lucrative wagering customers.

3. NEW DIRECTORS

On completion of the acquisition transaction, associated capital raising and re-quotation of the Company's shares on ASX, it is proposed that Todd Buckingham will be appointed to the Board of the Company and two new independent Directors will also be appointed.

Todd Buckingham has significant experience in the online social gaming, racing, sports and wagering industries and has successfully delivered a number of online gaming projects into production including 12Follow, TopBetta and TopTippa.

4. TERMS OF THE ACQUISITION

The Share Sale and Purchase Agreement provides, subject to the successful completion of due diligence by BHG, for BHG to acquire 100% of the shares in the TopBetta Group of companies.

The key terms of the Share Sale and Acquisition Agreement are as follows:

1. The shareholders of the OM Group are to be issued with 64,500,000 fully paid ordinary shares in BHG (on a post share split basis) at a deemed price of \$0.10 per share.
2. The shareholders of OM Group are to receive two further tranches of Performance Rights which will be converted into fully paid ordinary shares in BHG on a 1:1 basis on the achievement of certain key specific milestones, at a deemed issue price of \$0.10 per share (on a post share split basis). The details of which are as follows:
 - 2.1. 30,000,000 Performance Rights which will be converted into ordinary fully paid shares in BHG to be issued to the OM Group shareholders at a deemed issue price of \$0.10 per share (on a post Share Split basis). The shares are

to be issued upon the Company achieving and announcing to the ASX, within five (5) years from the date of re-quotation of the Company's shares on ASX, that it has achieved revenues of \$1,000,000 per month for any 3 consecutive months.

2.2. 30,000,000 Performance Rights which will be converted into ordinary fully paid shares in BHG to be issued to the OM Group shareholders at a deemed issue price of \$0.10 per share (on a post Share Split basis). The shares are to be issued upon the Company achieving and announcing to the ASX, within five (5) years from the date of re-quotation of the Company's shares on ASX, that it has achieved earnings before interest and tax, depreciation and amortisation (EBITDA) of \$500,000 per month for any 3 consecutive months.

3. The acquisition is conditional upon inter alia, the completing of due diligence to satisfaction of BHG, the approval of the acquisition by the shareholders of BHG and OM Group, the capital raising and other consequent resolutions to give effect to the transaction and enable the re-quotation of the Company's shares on ASX.

5. SHARE CAPITAL SPLIT AND CAPITAL RAISING

The Company will, as part of the proposed transaction, also seek shareholder approval for the splitting of its securities on the basis of 10 new shares for every 1 share currently held by the existing shareholders in the Company.

As stated above, the Company also proposes, subject to shareholder approval, to conduct a capital raising, the proceeds which will be used to undertake further development and marketing of the TopBetta business, to meet the costs of the transaction and for general working capital purposes.

The Company will appoint a Lead Manager to handle the proposed capital raising shortly. Dominet Digital Corporation is acting as corporate advisor on the transaction for TopBetta and has agreed to acquire a strategic equity stake in BHG as part of the transaction.

6. CHANGE OF COMPANY NAME

The Company will also seek shareholder approval to change its name to TopBetta Limited to better reflect the nature of the Company and its activities after completion of the transaction and re-quotation on ASX.

7. RE-COMPLIANCE WITH ASX LISTING RULES

The proposed acquisition of the TopBetta Group of companies will constitute a significant change in the nature and scale of the Company's activities of the nature contemplated by Chapter 11 of the ASX Listing Rules.

As a result of changing the nature of its activities to the social gaming and information technology sector, various aspects of the transaction will need to be approved by shareholders and the requirements of Chapters 1 and 2 of the ASX Listing Rules will need to be re-complied with as a condition of the completion of the acquisition and capital raising.

Accordingly the Company intends to convene a meeting of its shareholders as soon as possible to seek the necessary shareholder approvals required by ASX. It will also then, subject to obtaining the approval of its shareholders, issue a prospectus and conduct a

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capital raising to enable the Company to complete the acquisitions and support its intended development strategy.

Further details in respect of the proposed transaction and capital raising will be set out in the Notice of Meeting which the Company proposes to dispatch to the Company's existing shareholders in April 2014. Subject to the approval of BHG shareholders at that meeting to approve the acquisition, the capital raising and other consequential resolutions the Company expects to be in a position to issue a prospectus in late May 2015.

The Directors of BHG believe this acquisition represents a very attractive and exciting opportunity to acquire an established and well developed business in the online social gaming and wagering sector and has the potential to generate significant shareholder value in the future.

If you require any further information please contact either

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Yours sincerely

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