

Best of the Best plc

("Best of the Best", "BOTB" or "the Company")

Update on VAT Claim & Share Buy-back

Best of the Best PLC, (LSE: BOTB) the principally online organiser of weekly competitions to win luxury cars wishes to make the following updates:

VAT Claim

As previously announced, BOTB has noted the VAT decision given by the Supreme Court in favour of Sportech PLC on 8 December 2016 where the Supreme Court refused Her Majesty's Revenue & Customs ("HMRC") permission to appeal the Court of Appeal's unanimous decision regarding its VAT repayment claim on the "Spot the Ball" game. This resulted in a successful VAT reclaim by Sportech.

As previously reported, the Company submitted a protective claim in 2013 to recover overpaid VAT. Following the Supreme Court decision, and after taking further specialist legal and tax advice, BOTB now confirms it has submitted a top-up claim. Combined with the original claim the Company has now submitted claims totalling £4.5m (exclusive of professional fees, expenses and tax) to HMRC to recover VAT paid over an eight year period on its own "Spot the Ball" game, and is awaiting a response from HMRC. It is not certain that the Company will receive any repayment from HM Revenue & Customs, but will update shareholders as this matter progresses.

As a result of the outcome of the Sportech claim and the submission to HMRC, the Board also notifies shareholders that, under the guidance of its tax advisers and in order to adhere to the new tax rules governing "Spot the Ball" competitions, which are no longer subject to VAT, the Company has now registered for the payment of Remote Gaming Duty ("RGD").

The payment of RGD, as opposed to VAT will result in the payment of higher taxes and will negatively affect the Company's operating margin. The impact on profit in the current financial year is expected to be mitigated by the old tax regime's ongoing application in H1 and a solid start to H2 and therefore the Company confirms that it expects to report profits before tax of not less than £1.4m (2017: £1.5m). The impact on FY19 is expected to be more pronounced, with forecasted profits before tax of not less than £1.2m.

The Board wishes to emphasise that, despite the impact on operating margins of this increased tax burden going forward, the mandatory change to RGD will have no impact on the underlying operational performance of the business, which continues to perform strongly and in line with management's expectations. However, the Board is considering options and initiatives to minimise the impact of the change in tax regime to RGD.

The Board will keep shareholders informed of the progress of its VAT repayment claim and any other initiatives when appropriate.

Share Buy-Backs

The Company also announces its intention to conduct buy-backs of ordinary shares of 5 pence in the capital of the Company (“Ordinary Shares”) as and when they become available at volumes and prices that, from time to time, the Board of BOTB considers appropriate (“Buy-backs”).

Any Ordinary Shares acquired as a result of a Buy-back will be cancelled from trading and the transaction will be announced to the market without delay.

Any acquisitions of Ordinary Shares will be effected in accordance with the terms of the Company’s general authority to make market purchases of its own Ordinary Shares granted to it by shareholders on 7 September 2017 (the “Authority”), including that the maximum price paid per Ordinary Share is to be no more than 105 per cent. of the average middle market closing price of an Ordinary Share for the five business days preceding the date of acquisition.

Due to the limited liquidity in the issued Ordinary Shares, a Buy-back of Ordinary Shares pursuant to the Authority on any trading day is likely to represent a significant proportion of the daily trading volume in the Ordinary Shares on AIM and is likely to exceed 25 per cent. of the average daily trading volume, being the limit laid down in Article 5(1) of Regulation (EU) No 596/2014 and, accordingly, the Company will not benefit from the exemption contained in this Article.

The Company confirms that it currently has no other unpublished price sensitive information, other than what has been disclosed above.

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