

Best of the Best plc

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

Update on VAT Claim

Best of the Best PLC, (LSE: BOTB) the organiser of weekly competitions to win luxury cars and other products wishes to make the following update on its VAT claim.

As previously announced, BOTB had 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 decision regarding the VAT repayment claim on Sportech's "Spot the Ball" game. This resulted in a successful VAT reclaim by Sportech.

BOTB had submitted a protective claim in 2013 to recover overpaid VAT. Following the Supreme Court decision in December 2016, and after taking further specialist legal and tax advice, BOTB submitted a top-up claim, which, combined with the original claim totalled £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, as announced on 13 December 2017.

BOTB is now pleased to announce that HMRC has paid BOTB the £4.5m claim in full. However, the Board still needs to determine the net positive contribution to the Company as, in addition to the points made below, certain professional fees, expenses and taxes remain outstanding and will be deducted from this figure.

HMRC has informed BOTB that it considers the Company liable to pay retrospective Remote Gaming Duty ("RGD") for a period of four years. The Company has sought legal and tax advice on this issue and, in line with that advice, the Company is contesting HMRC's claim. RGD is the duty regime the Company registered for in December 2017.

While the question of retrospective RGD remains unresolved with HMRC, the Company is unable to announce the full extent of the net positive contribution to the Company, following the payment of its £4.5m VAT claim from HMRC.

The Board will inform shareholders about material developments and any resolution of this outstanding issue at the relevant time.

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