

# **BIR Financial Limited**

ABN 14 074 009 091

## **Half-Year Financial Report**

For the half year ended

31 December 2021

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## **CORPORATE DIRECTORY**

**BIR FINANCIAL LIMITED**

**ABN 14 074 009 091**

### **Directors**

Tal Silberman  
Gregory Starr  
Michael Stuke  
Tomasz Murmylo

Non-Executive Chairman  
Executive Director  
Executive Director  
Executive Director

### **Company Secretary**

Gregory Starr

### **Registered Office**

Level 12  
141 Walker Steet,  
North Sydney NSW 2060  
Tel: (02) 9386 0500

Website: [www.birfinancial.com.au](http://www.birfinancial.com.au)

### **Principal Place of Business**

Level 12  
141 Walker Steet,  
North Sydney NSW 2060  
Ph: (02) 9386 0500

### **Postal Address**

BIR Financial Limited  
Level 12  
141 Walker Steet,  
North Sydney NSW 2060

### **Share Register**

Automatic Pty Ltd  
Level 5  
126 Phillip Street,  
Sydney NSW 2000

Phone Number: 1300 288 664  
From Overseas: +61 2 9698 5414  
Website: [www.automaticgroup.com.au](http://www.automaticgroup.com.au)

### **Auditors**

Hall Chadwick (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

### **Securities Exchange Listing**

Australian Securities Exchange  
(Home Branch – Sydney)  
ASX Code: BIR

## APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

#### Key Information

	Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20	% Change
	\$	\$	
Revenue from ordinary activities	2,253,010	1,027,368	134%
Loss after tax from ordinary activities attributable to members	(2,168,080)	(596,689)	263%
Net Loss attributable to members	(2,168,080)	(596,689)	263%

#### Dividends Paid and Proposed

	Amount per Security	Franked Amount per Security at 30% of Tax
	(cents)	(cents)
There were no dividends paid. It is not proposed to pay dividends.	NIL	NIL

#### Explanation of Key Information and Dividends

An explanation of the above figures is contained in the “Review of Operations” included within the attached directors’ report.

#### Net Tangible Assets per Share

	Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20
	\$/Share	\$/Share
Net tangible assets per share	(0.044)	(0.029)

#### Control Gained or Lost over Entities in the Half-year

No control was gained or lost over entities in the half - year

#### Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans in operation.

#### Investments in Associates and Joint Ventures

	Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20
Material investments in associates and joint ventures	NIL	NIL

## DIRECTORS' REPORT

Your directors submit the financial report of BIR Financial Limited for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

### Directors

The names of directors who held office during or since the end of the Interim Period and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Tal Silberman	Non-Executive Chairman
Gregory Starr	Executive Director
Michael Stuke	Executive Director
Tomasz Murmylo	Executive Director (Appointed 10 November 2021)

### Review of operations

BIR owns 100% of subsidiary Pulse Markets, which is a diversified financial services business which provides a range of financial services to retail, institutional, corporate and private clients. These services include transacting equities and derivatives on the ASX and raising equity capital. These are provided by a team of experienced industry professionals. Pulse Markets is currently the key asset of the Company.

Pulse Markets' core strategy is to offer innovative financial products and investment manager capability to the financial planning market.

Pulse Markets maintains its advantage in the rapidly evolving financial services industry through its independence and leadership which is focussed on strong compliance ethics while monitoring and adapting to new market opportunities which will meet clients' needs.

On 26 July 2021 BIR announced that it has reached agreement with Moshav Custodian Pty Limited (Moshav) the holder of the existing secured convertible notes, that subject to shareholder approval, Moshav will look to subscribe for a further 2,000,000 Convertible notes on the same terms as the Convertible note subscription agreement between the company and the convertible note holder dated 6 February 2020. BIR would issue up to 2,000,000 secured convertible notes each with a value of \$1. The issue price of the notes was at a 50% discount to the face value of the convertible note. Moshav will subscribe to 2,000,000 convertible notes and will provide \$1,000,000 to the company.

On 25 October 2021 Moshav Custodians Pty Ltd (Moshav) advised the company that it had sold the 4,000,000 convertible notes it held in BIR to Wagering Technologies Pty Ltd (Wagering). On the same day, Moshav executed a deed of assignment, assigning its rights under the Convertible Notes to Wagering.

On 25 October 2021 Wagering issued a conversion notice to the company in respect of the 4 Million convertible notes held by Wagering. The conversion price of the Convertible Note is \$0.0242 per share. BIR issued 20,185,797 fully paid ordinary shares on 27 October 2021. The balance of 155,813,294 fully paid ordinary shares will be subsequently issued, subject to shareholder approval.

On 3 November 2021 BIR announced that an Extraordinary General meeting was held and the shareholders had voted to approve the issue of the additional 2 million convertible notes to Moshav.

On 10 November 2021 Mr Thomas Murmylo was appointed as a director of the company.

On 8 December, following discussions with Moshav, BIR advised that it would not be proceeding with the issue of the Convertible notes which had been approved at the 3 November 2021 meeting.

On 21 December 2021 BIR announced that it will be convening a Special General Meeting of shareholders on 31 January 2022 to approve the issue of a further 155,813,294 shares as a consequence of Wagering issuing a conversion notice on 25 October 2021.

### EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 January 2021, BIR announced that the Extraordinary meeting scheduled for 31 January 2022 will be moved to 14 February 2022.

On 11 February BIR announced that the company had been advised by the Convertible Note holder, Wagering Technologies Pty Ltd, that it now plans to direct the company to issue the Shares pursuant to the conversion of the balance of the Convertible Notes it holds, to various non associated parties on agreement of commercial terms with those parties. As a result, the Company announced that it has cancelled the Extraordinary General Meeting scheduled for 14 February 2022.

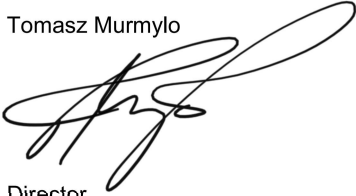
On 18 February 2022 BIR announced that it had issued 25,000,000 fully paid ordinary shares to Niedzica Pty Ltd. These shares were issued to Niedzica Pty Ltd at the direction of Wagering Technologies Pty Ltd in partial conversion of the Convertible notes held by Wagering Technology Pty Ltd.

The directors are not aware of any other significant events since the end of the interim period.

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Tomasz Murmylo

A handwritten signature in black ink, appearing to be 'T. Murmylo', written in a cursive style.

Director

Dated this 24th day of February 2022

**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BIR FINANCIAL LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BIR Financial Limited. As the lead partner for the review of the financial report of BIR Financial Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Hall Chadwick*

**HALL CHADWICK (NSW)**  
Level 40, 2 Park Street  
Sydney NSW 2000

*[Signature]*

**DREW TOWNSEND**  
Partner  
Dated: 24 February 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

		Consolidated	
	Notes	31-Dec-21	31-Dec-20
		\$	\$
<b>Revenue and Other Income</b>			
Revenue	2	1,955,043	964,270
Other Income	2	297,967	63,098
<b>Expenses</b>			
Operating Expenses	2	(1,422,532)	(723,676)
Salaries and employee benefits expense	2	(212,141)	(148,460)
Interest expense		(124,288)	(101,896)
Depreciation		(136,777)	(139,080)
Corporate and administration costs	2	(728,451)	(543,346)
Fair value changes	12	(1,788,801)	-
Impairment of Financial Asset	8	(8,100)	32,401
<b>Loss before income tax expense</b>		(2,168,080)	(596,689)
Income tax expense	3	-	-
<b>Loss for the period</b>		(2,168,080)	(596,689)
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		(2,168,080)	(596,689)
Basic loss per share (cents per share)		(2.45)	(0.73)
Diluted loss per share (cents per share)		(2.45)	(0.73)

The accompanying notes form part of these financial statements



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2021

		Consolidated	
		31-Dec-21	30-Jun-21
	Notes	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	146,681	197,230
Receivables	6	169,257	284,854
Other Assets	7	284,793	21,495
Indemnified deferred tax liability	14	80,988	80,988
<b>Total Current Assets</b>		<b>681,719</b>	<b>584,567</b>
<b>Non Current Assets</b>			
Indemnified acquisition cost	8	-	8,100
Plant and equipment	9	-	4,471
Right of use assets	11	22,051	639,477
Other assets	7	150,000	340,519
<b>Total Non Current Assets</b>		<b>172,051</b>	<b>992,567</b>
<b>Total Assets</b>		<b>853,770</b>	<b>1,577,134</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	846,419	665,281
Borrowings	12	3,710,100	10,440
Lease Liability	11	24,367	286,604
Provisions	13	105,917	99,854
<b>Total Current Liabilities</b>		<b>4,686,803</b>	<b>1,062,179</b>
<b>Non Current Liabilities</b>			
Borrowings	12	-	2,191,520
Lease Liability	11	-	452,661
Indemnified Deferred Income tax Liability	14	80,988	80,988
<b>Total Non Current Liabilities</b>		<b>80,988</b>	<b>2,725,169</b>
<b>Total Liabilities</b>		<b>4,767,791</b>	<b>3,787,348</b>
<b>Net Liabilities</b>		<b>(3,914,021)</b>	<b>(2,210,214)</b>
<b>Equity</b>			
Issued capital	15	28,352,566	27,888,293
Accumulated losses		(32,266,587)	(30,098,507)
<b>Total Equity/ (Deficiency)</b>		<b>(3,914,021)</b>	<b>(2,210,214)</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Consolidated		
	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
<b>Consolidated</b>			
<b>Balance at 1 July 2020</b>	27,888,293	(28,899,038)	(1,010,745)
Net loss for the period	-	(596,689)	(596,689)
<b>Balance at 31 December 2020</b>	27,888,293	(29,495,727)	(1,607,434)
<b>Consolidated</b>			
<b>Balance at 1 July 2021</b>	27,888,293	(30,098,507)	(2,210,214)
Shares issued	464,273	-	464,273
Net loss for period	-	(2,168,080)	(2,168,080)
<b>Balance at 31 December 2021</b>	28,352,566	(32,266,587)	(3,914,021)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from Customers	2,070,640	964,270
Payments to suppliers and employees	(2,095,665)	(1,504,772)
Other revenue received	20,151	63,098
Net cash (used in) operating activities	(4,874)	(477,404)
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(45,675)	(149,783)
Proceeds from borrowings	-	1,000,000
Net cash provided by financing activities	(45,675)	850,217
Net (decrease) / increase in cash held and cash equivalents	(50,549)	372,813
Cash and cash equivalents at the beginning of the period	197,230	59,544
<b>Cash and cash equivalents at the end of the period</b>	<b>146,681</b>	<b>432,357</b>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### Basis of preparation

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

These Interim Financial Statements were authorised for issue on 24 February 2022.

#### Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and with the International Financial Reporting Standards.

#### Significant accounting judgments and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2021.

#### Going Concern

During the half year ended 31 December 2021, the company incurred a net loss of \$2,168,080 (31 December 2020 \$596,689). As at 31 December 2021, the company had a net asset deficiency of \$3,914,021 (30 June 2021 \$2,210,214). During the half year the directors have put measures in place that are expected to result in a positive cashflow for the company in the near term, as outlined below.

The Directors are reviewing the possibility of BIR raising additional capital in the coming months. The Directors are also working to increase the revenue and are re-negotiating expenditure with key suppliers to further improve the financial performance of BIR.

The Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due and as a consequence of this belief, the Directors believe that the Company remains a going concern at the date of this Report.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of BIR Financial Limited.

#### NOTE 2: REVENUE AND EXPENSES

##### (a) Revenue

Operating revenue

##### Other Revenue

AFSL services

Government Cash flow boost incentive

Gain on derecognition of Right of Use Asset and Lease Liability

Rental Income

Covid rental relief

Interest received

Consolidated	
31-Dec-21	31-Dec-20
\$	\$
1,955,043	964,270
20,000	-
-	58,581
90,907	-
-	4,500
186,909	-
151	17
297,967	63,098

##### (b) Expenses

##### Operating Expenses

Commissions paid

Other operating expenses

31-Dec-21	31-Dec-20
\$	\$
1,413,532	695,176
9,000	28,500
1,422,532	723,676

##### Salaries and employee benefits expense

Salary and wages

Consultants

Consolidated	
31-Dec-21	31-Dec-20
\$	\$
83,141	82,460
129,000	66,000
212,141	148,460

##### Corporate and administration costs

Professional services

Insurance

Compliance expenses

Provision for Lease surrender payment

Other administrative costs

Consolidated	
31-Dec-21	31-Dec-20
\$	\$
200,933	175,852
66,648	87,189
35,204	45,800
121,731	-
303,935	234,505
728,451	543,346

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 3: INCOME TAX

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
<b>Income Tax Expense</b>		
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	(2,168,080)	(596,689)
Prima facie income tax (benefit) @ 27.5%	596,222	179,007
Deferred tax assets not brought to account <sup>+#</sup>	(596,222)	(179,007)
Total income tax expense	-	-

\* These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

# The Company has not yet carried out an assessment as to whether it is able to utilise current year and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

### NOTE 4: EARNINGS/(LOSS) PER SHARE

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
Basic earnings/(loss) per share (cents per share)	(2.45)	(0.73)
Diluted earnings/(loss) per share (cents per share)	(2.45)	(0.73)
Earnings – Net loss for half year	(2,168,080)	(596,689)
Weighted average number of ordinary shares used in the calculation of:		
Basic earnings per share	88,600,633	81,250,370
Diluted earnings per share	88,600,633	81,250,370

### NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Cash at bank	146,681	197,230
Cash at bank earns interest at a floating rate based on daily bank deposit rates.		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Sundry debtors	169,257	284,854
	<u>169,257</u>	<u>284,854</u>

### NOTE 7: OTHER ASSETS

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
<b>Current</b>		
Rental Bond	190,519	-
Prepaid Insurance	94,274	21,495
	<u>284,793</u>	<u>21,495</u>
<b>Non-Current</b>		
Rental Bond	-	190,519
Other Bonds	150,000	150,000
	<u>150,000</u>	<u>340,519</u>

### NOTE 8: INDEMNIFIED ACQUISITION COSTS

	31-Dec-21	30-Jun-21
	\$	\$
Financial assets, at fair value	-	8,100

There were \$253,369 of costs associated with the sale of the company to BIR Financial Limited. This is \$168,369 in excess of the agreed amount under the Share Sale Agreement. As a result of this excess expenditure and other matters, the vendor of Pulse Markets has entered into an agreement with BIR Financial Limited to reimburse BIR Financial Limited \$270,000 when the shares received from the sale of the company are released from escrow.

During the year ended 30 June 2020, this balance was impaired by \$248,000, based on the fair value of the shares held in escrow. The balance was impaired by a further \$13,500 in the year ended 30 June 2021. In the half year ended 31 December 2021, the shares were removed from escrow and the remaining balance was fully impaired.

### NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
<b>Movement reconciliation</b>		
Opening balance	4,471	17,910
Depreciation charge for the half year	(4,471)	(13,439)
Closing balance	<u>-</u>	<u>4,471</u>

### NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Trade payables and accruals	846,419	665,281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 11: LEASES

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
<b>a. Right of use assets</b>		
Buildings	22,051	639,477
	<u>22,051</u>	<u>639,477</u>
<b>b. Lease liabilities</b>		
Current	24,367	286,604
Non-current	-	452,661
	<u>24,367</u>	<u>739,265</u>

Pulse Office space was vacated 31 December 2021 and the Office lease terminated on 31 January 2022.

### NOTE 12: BORROWINGS

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Convertible Note - Wagering Technologies Pty Ltd *	3,618,314	2,191,520
Macquarie Premium Financing – Financing insurance premium	91,786	10,440
	<u>3,710,100</u>	<u>2,201,960</u>

#### \*Convertible Notes

2,000,000 secured convertible notes ("Notes") were issued to Moshav Custodian Pty Limited (Moshav) with a face value of \$1.00 per note. Mr Tal Silberman is a director of BIR and is also a shareholder and director of Moshav. The issue price of the notes was at a 50% discount to the face value of the convertible note. The Notes were issued to Moshav on 14 February 2020. On 2 December 2020, Moshav subscribed to a further 2,000,000 convertible notes and provided a further \$1,000,000 to the company in the half year period ended 31 December 2020.

The Notes accrue interest at 5% per annum on the face value. The effective rate of interest is 10% on the amount loaned. Any accrued interest is payable in full on the maturity date or on the date of the conversion.

The Notes are secured over all assets of the company.

The notes are convertible to shares at a conversion price which is the aggregate face value of the convertible notes divided by the 5 day volume weighted average price of the shares as traded on the ASX immediately prior to the notice to convert being issued by Moshav to BIR.

The noteholder cannot convert to a fixed number of shares at any time prior to the expiry date. Instead, the conversion entitles Moshav to a variable number of shares equal to a fixed dollar value and therefore the directors have determined that the convertible loan note issued by the company is not a compound financial instrument in accordance with para 28 and 29 of AASB 132. The amounts included in the liability and equity sections of the statement of financial position are determined in accordance with the para 32 of AASB 132, AG30 - AG32 of the standard.

On 25 October 2021 Moshav Custodians Pty Ltd (Moshav) advised the company that it had sold the 4,000,000 convertible notes to Wagering Technologies Pty Ltd (Wagering). On the same day, Moshav executed a deed of assignment, assigning its rights under the Convertible Notes to Wagering.

On 25 October 2021 Wagering issued a conversion notice to the company in respect of the 4 Million convertible notes held by Wagering. The conversion price of the Convertible Note is \$0.0242 per share. BIR issued 20,185,797 fully paid ordinary shares on 27 October 2021. The balance of 155,813,294 fully paid ordinary shares will be subsequently issued. BIR has recognised a change in fair value of convertible notes equivalent to the 50% discount on the notes amounting to \$1,788,801.

On 11 February BIR announced that the company had been advised by the Convertible Note holder, Wagering Technologies Pty Ltd, that it now plans to direct the company to issue the Shares pursuant to the conversion of the balance of the Convertible Notes it holds, to various non associated parties on agreement of commercial terms with those parties.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

On 18 February 2022 BIR announced that it had issued 25,000,000 fully paid ordinary shares to Niedzica Pty Ltd. These shares were issued to Niedzica Pty Ltd at the direction of Wagering Technologies Pty Ltd in partial conversion of the Convertible notes held by Wagering Technology Pty Ltd.

### NOTE 13: PROVISIONS

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Provision for settlement claims and legal fees *	75,000	75,000
Annual Leave Provision	30,917	24,854
	<u>105,917</u>	<u>99,854</u>

\*The provision relates to an estimate of claims against a company which was an authorised representative of Pulses' Australian Financial Services Licence for activities which occurred in 2014. The claims are being defended by Pulse.

### NOTE 14: INDEMNIFIED DEFERRED INCOME TAX LIABILITY

	31-Dec-21	30-Jun-21
	\$	\$
Indemnified deferred Income Tax Liability	<u>80,988</u>	<u>80,988</u>

This amount represents an indemnity provided by the vendor of Pulse Markets Pty Ltd in favour of the Company from potential income tax liability.

### NOTE 15: ISSUED CAPITAL

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
<b>Issued and paid up capital</b>		
Ordinary shares fully paid	<u>28,093,455</u>	<u>27,888,293</u>

(a) Movement in ordinary shares on issue	31-Dec-21		30-Jun-21	
	Number	\$	Number	\$
Balance at beginning of year	81,250,370	27,888,293	81,250,370	27,888,293
Issue of new shares	20,185,797	464,273	-	-
Balance at end of year	<u>101,436,167</u>	<u>28,352,566</u>	<u>81,250,370</u>	<u>27,888,293</u>

#### (b) Share Options

At the end of the year there were no options over unissued ordinary shares outstanding.

#### (c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 16: PARENT ENTITY INFORMATION

	Parent	
	31-Dec-21	30-Jun-21
	\$	\$
Current assets	9,572	60,042
Total assets	4,483,112	4,533,582
Current liabilities	(2,612,685)	(2,377,208)
Total liabilities	(2,612,685)	(2,377,208)
<b>Net assets</b>	<b>1,870,427</b>	<b>2,156,374</b>
Issued capital	27,888,293	27,888,293
Accumulated losses	(26,017,866)	(25,731,919)
<b>Total equity</b>	<b>1,870,427</b>	<b>2,156,374</b>
Loss of the parent entity after tax	(285,546)	(667,615)
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income/(loss) of the parent entity</b>	<b>(285,546)</b>	<b>(667,615)</b>

#### (a) Parent entity

The ultimate parent entity within the Group is BIR Financial Limited.

#### (b) Subsidiary

Pulse Markets Pty Ltd is a wholly owned subsidiary of the Company.

Pulse Markets, as the Company's subsidiary will continue its business operations.

Pulse Markets has a wholly owned subsidiary Selecta Funds Management Pty Ltd (ACN 100 257 869) (Selecta Funds Management). This entity is not an operating entity but is a special purpose entity established to specifically own options or performance rights which may be acquired in companies as part of the consideration for Pulse Markets providing ECM services (including corporate advisory services). Selecta Funds Management's sole asset is a certain number of escrowed options in Sheffield Resources Limited, which were acquired as part of the terms of a corporate advisory / ECM mandate related to this company. These options expired during the year ended 30 June 2020. Selecta Funds Management will remain as a wholly owned subsidiary of Pulse Markets (with the Company being the ultimate parent company).

Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity	
			31-Dec-21	30-Jun-21
Pulse Markets Pty Ltd	Ordinary	Australia	100%	100%
Selecta Funds Management Pty Ltd	Ordinary	Australia	100%	100%

### NOTE 17: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for BIR Financial Limited reviews internal reports prepared and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 18: EVENTS AFTER THE END OF THE INTERIM PERIOD

On 21 December 2021 BIR announced that it will be convening a Special General Meeting of shareholders on 31 January 2022 to approve the issue of a further 155,813,294 shares as a consequence of Wagering issuing a conversion notice on 25 October 2021.

On 28 January 2021, BIR announced that the Extraordinary meeting scheduled for 31 January 2022 will be moved to 14 February 2022.

On 11 February

BIR announced that the company has been advised by the Convertible Note holder, Wagering Technologies Pty Ltd, that it now plans to direct the company to issue the Shares, pursuant to the conversion of the balance of the Convertible Notes it holds, to various non associated parties on agreement of commercial terms with those parties. As a result, the Company announced that it has cancelled the Extraordinary General Meeting scheduled for 14 February 2022.

On 18 February 2022 BIR announced that it had issued 25,000,000 fully paid ordinary shares to Niedzica Pty Ltd. These shares were issued to Niedzica Pty Ltd at the direction of Wagering Technologies Pty Ltd in partial conversion of the Convertible notes held by Wagering Technology Pty Ltd.

The directors are not aware of any other significant events since the end of the interim period.

### NOTE 19: FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying value

The net fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

## DIRECTORS' DECLARATION

In the opinion of the Directors of BIR Financial Limited ("the Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'T. Murmyło', with a large, stylized loop at the end.

Tomasz Murmyło

Director

Dated this 24 February 2022

**BIR FINANCIAL LIMITED**  
**ABN 14 074 009 091**  
**AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BIR FINANCIAL LIMITED**

**Report on the Half Year Financial Report**

**Conclusion**

We have reviewed the accompanying half-year financial report of BIR Financial Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year then ended; and
- (b) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis of Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss of \$2,168,080 during the half year ended 31 December 2021, and as of that date, the Group's total liabilities exceeds its total assets by \$3,914,021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Responsibilities of the Directors for the Half Year Financial Report**

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**BIR FINANCIAL LIMITED  
ABN 14 074 009 091  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIR FINANCIAL LIMITED**

***Auditor's Responsibility for the Review of the Half Year Financial Report***

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**HALL CHADWICK (NSW)**  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Dated: 24 February 2022