

15 September 2022

Neel Bhowmick
Adviser, Listings Compliance (Sydney)
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000
By electronic lodgement

RE: BIR Appendix 4C Issues emails and Query letter

Dear Neel

Please find below answers *in italics* to ASX's queries regarding BIR's March and June Appendix 4C's and other matters as requested in ASX's requests:

1. ASX email 17 August 2022
2. ASX Query letter 25 August 2022
3. ASX email 1 September 2022

Also attached are the revised March and June 2022 Appendix 4C's reflecting the corrections outlined in the answers provided by BIR below.

ASX email 17 August 2022

1. ASX observes that BIR has, in its Appendix 4C for the quarter ending Jun 2022, disclosed that it had \$550k in available funding and \$400k of drawn funds at quarter's end (Item 7.4). Can BIR confirm that those amounts are correct and the correct amount of unused funds (Item 7.5)?

The answer to 7.5 unused financing facilities available at quarter end was incorrect (it stated Nil). It should have stated \$150,000 (A\$000's - 150)

2. Please provide a description of the funding available to BIR at 30 June 2022. Please note that Item 8.4 requires a description of the facility, the lender, the interest rate, the maturity and whether the facility is secured or unsecured.

The Company has an existing credit facility with shareholder Wagering Technology Pty Limited for \$550,000 of which \$400,000 had been drawn down at the end of the quarter.

The terms of the loan are:

Interest: 10% p.a.

Interest payable every 6 months in arrears

Term of the loan: 12 months - if the loan is not repaid in full in cash by the Termination Date, the borrower may extend repayment of the Loan and payment of all interest by a further 12 months

Security: Unsecured

3. Were these loans or financing facilities disclosed on MAP? If so, please identify the announcement(s) that discloses these loans.

The loan was referred to in the 31 Jan 2022 Appendix 4C release item 8.6.2 then again on 29 April 2022 Appendix 4C item 8.6.2.

As the loan was not a material amount, short term, was planned to be used to pay existing creditors (thereby not changing the nature of the balance sheet materially) and on commercial terms, it was not the subject of a separate announcement.

4. At the end of the June 2022 quarter, how many quarters of funding was available to BIR (per the methodology in Item 8)?

0.94 (Note the June quarter Appendix 4C released on MAPS erroneously did not include the \$150,000 available facility in 8.3 and as a result 8.4 and 8.5 was also incorrect)

5. If the answer to Question 4 is less than 2, has BIR 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? Please provide adequate detail.

As per 8.6.2 the Company as of 29 July (the date of the release of the Appendix 4C) the Company was in discussions to create an additional financing facility.

Since that time, those negotiations have continued where the terms currently are planned to be:

Amount: \$500,000

Lender: New Major Shareholder AMRAM Corp Pty Ltd.

Interest: 12% p.a.

Interest payable annually in arrears

Term of the loan: ongoing, no term imposed at this stage of negotiations. BIR plans a minimum term of 24 months.

This loan arrangement is currently being finalised.

6. Does BIR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Please provide adequate detail

Yes

a. BIR has taken steps to reduce its major cost (rent).

b. BIR is working with its new major shareholder to introduce new products further utilising BIR's existing Financial Services Licence. BIR will announce these developments as they are formalised.

ASX Query letter 25 August 2022

1. ASX notes that BIR notified the market of Mr Murmylo's change of interest in BIR shares on 22 April 2022, which is more than 5 business days after the stated date of change of 27 March 2022 (paragraph D). Does BIR consider this to be in accordance with Listing Rule 3.19A.2?

1.1 If so, please provide the basis for that view.

No

1.2 If not, please outline any proposed improvements to BIR's compliance procedures in this regard.

Mr Murmylo's has been advised ASX listing rule 3.19A.2 and has confirmed he understands his responsibilities for disclosure.

2. ASX notes that the \$15,000 in director fees disclosed in the 31 March 2022 Appendix 4C is inconsistent with the \$55,000 disclosed in the accompanying activities report (paragraph C). Please state which figure is accurate and explain the apparent inconsistency.

Amounts paid to related parties and their associates during the quarter were as follows:

March Qtr Director	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
Greg Starr			3,500.00	330.95	350.00	4,180.95
Michael Stuke	13,650.27	33,000.00			4,665.03	51,315.30
Tal Silberman						-
Thomas Murmylo						-
Total	13,650.27	33,000.00	3,500.00	330.95	5,015.03	55,496.25

An internal error meant that only the director fees plus GST paid was picked up in the Appendix 4C. This calculation has been corrected

3. When was the credit facility with Wagering Technologies Pty Ltd entered into (paragraph F)?

11 - 28 February 2022 - Wagering Technologies Pty Ltd forwarded BIR a total of \$150,000 – no formal agreement had been entered into at that time.

5 May – Wagering Technology entered into a \$250,000 unsecured commercial arm's length terms loan agreement.

5 May - Wagering Technologies Pty Ltd forwarded BIR a further \$250,000

25 July - Wagering Technologies Pty Ltd forwarded BIR \$150,000

4. Has BIR made any interest payments or other payments related to this credit facility?

No

5. Noting that BIR now operates out of an address shared with entities associated with Mr Murmylo, please state the cash benefits to Mr Murmylo and associates of Mr Murmylo from this arrangement (if any).

NIL

6. Please outline all cash payments to related parties (and their associates), including payment for services and those identified above, made by BIR this calendar year.

Director	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
Greg Starr			3,500.00	330.95	350.00	4,180.95
Michael Stuke	27,300.54	84,000.00			11,130.06	122,430.60
Tal Silberman	13,650.00				1,365.00	15,015.00
Thomas Murmylo						-
Total						141,626.60

7. Is BIR of the view that all payments identified in question 6 were appropriately disclosed in BIR's last two quarterly reports in accordance with Listing Rule 3.7C.3? If so, please provide the basis for that view.

March Qtr Director	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
Greg Starr			3,500.00	330.95	350.00	4,180.95
Michael Stuke	13,650.27	33,000.00			4,665.03	51,315.30
Tal Silberman						-
Thomas Murmylo						-
Total	13,650.27	33,000.00	3,500.00	330.95	5,015.03	55,496.25

June Qtr Director	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
Greg Starr						

June Qtr Director	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
Michael Stuke	13,650.27	51,000.00			6,465.03	71,115.30
Tal Silberman	13,650.00				1,365.00	15,015.00
Thomas Murmylo						-
Total	27,300.27	51,000.00			7,830.03	86,130.30

Appendix 4C	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
March Quarter						15,000
June Quarter						30,000
Total						45,000

Variance between 4C and actuals	Director Fees	Executive Services Fees	Company Secretarial Fees	Expense reimbursement	GST	Total
Total						96,626

As noted above in Question 2 only the director fees plus GST paid was picked up in the Appendix 4C. This calculation has been corrected

Financial condition

8. Noting that BIR identified rental expense to be its “major cost” (paragraph G), please state how much rent (or occupancy cost) BIR is paying at its new premises and how this compares to BIR’s prior rental or occupancy payments.

BIR is paying NIL occupancy costs at its new premises. This is due to all advisors and staff now working remotely and only using the related party office space intermittently.

Over a 22 month period (paid monthly) starting January 2022, BIR is paying its previous landlord an outstanding amount of \$148,341.72. To date BIR has paid \$20,228.43 of this amount (reflected in item 1.2(b) of appendix 4C).

9. ASX observes that BIR has disclosed that it is seeking new business opportunities to enhance cash flow as justification for its approximate one quarter of funding available on 30 June 2022 (paragraphs C & E). Does BIR expect the new opportunity/opportunities to provide sufficient and timely cash flow to BIR? Please provide the basis for this view.

BIR is in advanced discussions with its major shareholder AMRAM Corp Pty Ltd., about a new business opportunity which should start in October 2022 (see details in question 10 below). BIR is confident it has enough cash resources to meet its obligations until and beyond that point. Once the structure will be confirmed, we will make appropriate announcements.

10. Please provide any other information BIR deems relevant for ASX to assess BIR’s compliance with Listing Rule 12.2.

BIR is going through a business development program. Since December 2021 it has:

- a) Converted convertible debt to equity significantly reducing overall balance sheet risk*
- b) Changed its board replacing two long time directors and adding two additional directors who have significant experience in the financial services sector*
- c) Changed its major shareholder and reduced concentration of ownership*
- d) Has appointed a non-executive director with vast experience and proven success history in the Diversified Financial Services field.*

e) *BIR is also currently in the final stages of setting up a new business that will generate new cash flow and revenue streams. This business will utilise existing resources and licenses that BIR holds.*

11. Please confirm that BIR is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Confirmed

ASX email 1 September 2022

ASX observes that the \$150,000 forwarded by Wagering Technologies appears to be the same amount recorded as proceeds from borrowings in BIR's March 2022 Appendix 4C. If this is correct, please address in your response why this was not disclosed in Item 7 of the March 2022 Appendix 4C?

The \$150,000 was not included in item 7 was due to terms being incomplete at the time the 4C was released. This is what was noted in our reply to ASX dated 31 August 2022 (item 3). The amount received occurred in 3 tranches in February 2022 totalling \$150,000. The amounts received nature (short term creditor or loan) was also not finalised.

Similarly, the June 2022 Appendix 4C does not provide the requisite details of the financing agreement with Wagering Technologies in Item 7.

As noted at the time of release of the 4C, terms of the transaction were not finalised.

Please prepare updated Appendices 4C for the March and June quarters for release on MAP addressing the item 7 issues in addition to the other issues identified in our letter. Please include an explanatory note on the front and a copy for ASX to review prior to release to market.

BIR will re release noting in item 7 the terms which were agreed subsequent to the release of the original 4C.

ASX further observes that BIR's most recent Appendix 4C discloses that BIR had an estimated 0.30 quarters of funding available as at 30 June 2022. However, BIR's response to Question 9 indicates that BIR believes that its new venture will commence in October 2022. Please explain how BIR intends to fund itself in the near term given its current financial condition.

As noted in question 3 of the 31 August correspondence, Wagering has forwarded BIR a further \$150,000 on 25 July 2022. This amount should have been included in 8.3 of the June Appendix 4C. With this \$150,000 the quarter of funding available increases to 0.94. BIR believes that improved September quarter results, together with the immediate nature of additional revenue from the joint venture will result in BIR being able to fund itself to and beyond the commencement of the joint venture.

Further, please explain, as requested in our query letter, if and why BIR believes its new venture will provide sufficient and timely cash flows to BIR for the purpose of Listing Rule 12.2.

BIR and its major shareholder are in the process of settling terms for two new business that will result in further development of BIR increasing its revenue base with a corresponding increase in its cost structure.

Financial services business

BIR is in the process of setting up a new wholly owned subsidiary company that will act as Corporate Authorised Representative under the AFSL license of Pulse Markets Pty Ltd, another wholly owned subsidiary. This new entity will service clients that will be referred by AMRAM Corp Pty Ltd., providing them with the existing diversified financial services Pulse Markets currently provides.

The new business will utilise our existing staff and resources. This business doesn't require any significant cash investment (the entire venture may cost BIR up to \$5,000 in establishment costs and new website).

BIR has all the required skilled staff and resources required to successfully run this business profitably:

- Compliance Management is currently under-utilised therefore we have capacity to service this new business*
- This venture will be managed by Tomasz Murmylo, current director of BIR*
- Trading and operations will be performed by Andrew Iliadis, an existing responsible manager of the Pulse AFSL and employee of Pulse Markets Pty Ltd.*

As all our ongoing expenses are already incurred, this business poses low financial risk to BIR.

BIR is anticipating commencing this business in late September 2022. It will involve registering BIR as the Corporate Authorised Representative under our AFSL license, which is a formality.

Generic growth of CARs

The Board is also engaged in expanding the current core business of Pulse Markets and is in negotiations to add new Corporate Authorised Representatives (CARs) to its AFS License. We are currently conducting Due Diligence on applicants. This should be completed by the end of October.

The terms of this operation is currently confidential. The Company expects to be able to announce the plans to the market by 26th of September 202.

Cost management

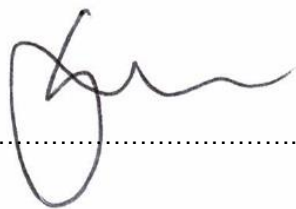
The Board has also finalised most of the Group's litigations and its legal fees bills have reduced significantly. Legal fees incurred by the Group in past periods have significantly impacted the profit and loss statement. BIR has also reorganised its operations such that it is no longer has incurring a \$30,000 per month office occupancy cost.

Summary

In summary, BIR is growing its existing business by utilising its core strengths the Pulse AFSL and its experienced existing compliance team and collaborating with other financial services providers. While there has been a few false starts due to significant changes within the industry and due to COVID, this is consistent with the BIR prospectus of 2018.

The Board of BIR is confident that the business being brought in by the new CAR's outlined above, will significantly improve the size and value of the Company. As the growth activities are utilising BIR's subsidiary AFSL and compliance team, the revenue improvements will not have an additional corresponding cost.

This response has been authorised for release by the board of BIR Financial Limited.



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Greg Starr
Company Secretary
BIR Financial Limited



25 August 2022

Reference: 57923

Mr Greg Starr
Company Secretary
Tearum Corporate Services

By email

Dear Mr Starr

BIR Financial Limited ('BIR'): Query Letter

ASX refers to the following:

- A. BIR's announcement titled 'Director Appointment/Resignation', lodged on the ASX Market Announcements Platform ('MAP') on 10 November 2021, which disclosed that Mr Tomasz Murmylo had been appointed as a director of BIR.
- B. BIR's announcement titled 'Convertible Note Conversion EGM – Board Update', lodged on MAP on 13 January 2022, which disclosed that Mr Murmylo had been appointed as CEO of BIR and is the owner of Wagering Technologies Pty Ltd.
- C. BIR's quarterly reports for the period ending 31 March 2022, lodged on MAP on 29 April 2022, which disclosed (relevantly):
 - At item 6.1 of the Appendix 4C that \$15,000 was paid to related parties of BIR and their associates. ASX notes that BIR's corresponding disclosure in its activities report, as required by Listing Rule 4.7C.3, disclosed that \$55,000 was paid as 'Executive Director Fees'.
 - At item 3.5 that proceeds from borrowings for the quarter was \$150,000.
 - At item 7.4 that there was no financing facilities available or drawn at the end of the quarter.
 - At item 8.5 of the Appendix 4C that BIR had an estimated 0.21 quarters of funding available.
 - At item 8.6.2 of the Appendix 4C:

"The company in in the process of arranging a \$750,000 finance facility with its major shareholders on arms (sic) length terms."
 - At item 8.6.3 of the Appendix 4C, in relation to BIR's expectations on meeting its business objectives:

"Answer: Yes. The company is continuing to discuss new business opportunities with parties as outlined in its 2018 prospectus which will enhance its cash position."
- D. BIR's announcement titled 'Change of Directors Interest Notice', lodged on MAP on 22 April 2022, which disclosed that Mr Murmylo's interest in BIR shares had decreased by 517,374 shares on 27 March 2022. The notice further listed the address of Wagering Technologies Pty Ltd and other entities associated with Mr Murmylo as Suite 104/109 Oxford Street, Bondi Junction NSW 2022.
- E. BIR's quarterly reports for the period ending 30 June 2022, lodged on MAP on 29 July 2022, which disclosed (relevantly):

- At item 6.1 of the Appendix 4C that \$30,000 was paid to related parties of BIR and their associates. ASX notes that BIR's corresponding disclosure in its activities report, as required by Listing Rule 4.7C.3, disclosed that \$30,000 was paid as 'Executive Director Fees'.
 - At item 8.5 of the Appendix 4C that BIR had 0.3 quarters of funding available (which ASX notes was an error as per paragraph G).
 - At item 8.6.2 of the Appendix 4C:
"The company is in discussions to create additional financing facility."
 - At item 8.6.3 of the Appendix 4C, in relation to BIR's expectations on meeting its business objectives:
"The company is continuing to discuss new business opportunities which will enhance its cash position."
- F. BIR's announcement titled 'Details of Company Address', lodged on MAP on 12 August 2022, which disclosed that BIR had changed its registered office and principal place of business to Suite 104/109 Oxford Street, Bondi Junction NSW 2022. ASX notes that this address is also shared by 'Business Tax & Money House', founded by Mr Murmylo¹ and other entities associated with Mr Murmylo (paragraph D).
- G. BIR's email response dated 22 August to ASX's queries by email, which stated:
In relation to the Appendix 4C for the quarter ending 30 June 2022 (paragraph E):
- *"The answer to 7.5 unused financing facilities available at quarter end was incorrect (it stated Nil). It should have stated \$150,000 (A\$000's - 150)"*
 - In relation to the quarters of funding available:
"0.94 (Note the June quarter Appendix 4C released on MAPS erroneously did not include the \$150,000 available facility in 8.3 and as a result 8.4 and 8.5 was also incorrect)"
 - *"The Company has an existing credit facility with shareholder Wagering Technology Pty Limited for \$550,000 of which \$400,000 had been drawn down at the end of the quarter."*
 - *"The terms of the loan are:
Interest: 10% p.a.
Interest payable every 6 months in arrears
Term of the loan: 12 months - if the loan is not repaid in full in cash by the Termination Date, the borrower may extend repayment of the Loan and payment of all interest by a further 12 months
Security: Unsecured"*
 - *"The loan was referred to in the 31 Jan 2022 Appendix 4C release item 8.6.2 then again on 29 April 2022 Appendix 4C item 8.6.2.

As the loan was not a material amount, short term, was planned to be used to pay existing creditors (thereby not changing they nature of the balance sheet materially) and on commercial terms, it was not the subject of a separate announcement."*
- In relation to ASX's queries regarding BIR continuing to meet its business objectives:
- *"a. BIR has taken steps to reduce its major cost (rent).
b. BIR is working with its new major shareholder to introduce new products further utilising BIR's existing Financial Services Licence. BIR will announce these developments as they are formalised"*

¹ <https://www.btmh.com.au/about/> accessed 25 August 2022

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- H. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- I. Listing Rule 3.19A.2, which requires a listed entity to provide a complete Appendix 3Y no more than 5 business days after a change to a notifiable interest of a director.
- J. Listing Rule 12.2, which states:
- "An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing."*

Request for information

Having regard to the above, ASX asks BIR to respond separately to each of the following questions and requests for information:

Related party disclosures

1. ASX notes that BIR notified the market of Mr Murmylo's change of interest in BIR shares on 22 April 2022, which is more than 5 business days after the stated date of change of 27 March 2022 (paragraph D). Does BIR consider this to be in accordance with Listing Rule 3.19A.2?
 - 1.1 If so, please provide the basis for that view.
 - 1.2 If not, please outline any proposed improvements to BIR's compliance procedures in this regard.
2. ASX notes that the \$15,000 in director fees disclosed in the 31 March 2022 Appendix 4C is inconsistent with the \$55,000 disclosed in the accompanying activities report (paragraph C). Please state which figure is accurate and explain the apparent inconsistency.
3. When was the credit facility with Wagering Technologies Pty Ltd entered into (paragraph F)?
4. Has BIR made any interest payments or other payments related to this credit facility?
5. Noting that BIR now operates out of an address shared with entities associated with Mr Murmylo, please state the cash benefits to Mr Murmylo and associates of Mr Murmylo from this arrangement (if any).
6. Please outline all cash payments to related parties (and their associates), including payment for services and those identified above, made by BIR this calendar year.
7. Is BIR of the view that all payments identified in question 6 were appropriately disclosed in BIR's last two quarterly reports in accordance with Listing Rule 3.7C.3? If so, please provide the basis for that view.

Financial condition

8. Noting that BIR identified rental expense to be its "major cost" (paragraph G), please state how much rent (or occupancy cost) BIR is paying at its new premises and how this compares to BIR's prior rental or occupancy payments.
9. ASX observes that BIR has disclosed that it is seeking new business opportunities to enhance cash flow as justification for its approximate one quarter of funding available on 30 June 2022 (paragraphs C & E). Does BIR expect the new opportunity/opportunities to provide sufficient and timely cash flow to BIR? Please provide the basis for this view.
10. Please provide any other information BIR deems relevant for ASX to assess BIR's compliance with Listing Rule 12.2.

Listing Rules

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11. Please confirm that BIR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 12. Please confirm that BIR'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 BIR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Wednesday, 31 August 2022**. 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, BIR'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 and may require BIR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@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.

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 BIR's securities under Listing Rule 17.1. If you wish 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*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BIR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BIR'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 BIR'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.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Neel Bhowmick
Adviser, Listings Compliance (Sydney)