

Bettube Corporation Pty Limited

ABN 23 635 285 326

Annual Reports - 30 June 2021

Bettube Corporation Pty Limited

Directors' report

30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bettube Corporation Pty Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2021. The prior year period begins on 2 August 2019 and is not a full comparative year due to the company's incorporation on that date.

Directors

The following persons were directors of Bettube Corporation Pty Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Anthony Robert Waller
Weng Nian Siow
Paul John Weeks

Appointed 15 June 2021

Appointed 15 June 2021

Principal activities

The principle activities of the consolidated entity during the financial year were the offering of sports and racing betting products and services direct to clients using its online wagering platform and mobile applications.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,946,397 (30 June 2020: profit of \$nil).

BetTube Corporation Ltd is a holding company with all revenue being generated by IRPSX Pty Limited which holds a license to conduct sports bookmaking. IRPSX Pty Limited operates a B2C betting platform trading under the name "Bet Right". The Bet Right brand launched on 1 June 2021.

Significant changes in the state of affairs

The company acquired IRPSX on 10 August 2020 and commenced trading activities as a consolidated entity from this date. Other than that there were no significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period

Bettube Corporation Pty Limited issued extra 42,221,287 ordinary shares raising additional \$7,177,619 and issued an additional 25,171,274 in share options to employees under existing Bettube Employee Option Plan.

Bettube Corporation Pty Limited applied to become a public unlisted company in July 2021. Status was granted on 10 August 2021 and the company changed its name to Bettube Corporation Limited.

The Company's subsidiary, IRPSX Pty Ltd trading as Bet Right, has been advised by Liquor & Gaming NSW that a total of six advertisements have been published in breach of a prohibition on advertising containing unlawful inducements, with court appearance notices issued. IRPSX Pty Ltd has conducted reviews and implemented changes to its internal procedures. IRPSX Pty Ltd has attended the Local Court of New South Wales on 23rd February 2022 and intends to have its case heard by the Court. A hearing date of 23 November 2022 has been set. The maximum penalty for each offence is \$110,000. The matter is on-going as of the date of the signing of this report. Please note there were two distinct separate advertisements, each "published" in 3 different media, hence six advertisements.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Bettube Corporation Pty Limited

Directors' report

30 June 2021

Shares under option

Unissued ordinary shares of Bettube Corporation Pty Limited under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|------------|-------------|----------------|---------------------|
| 01/04/2021 | 01/04/2028 | \$0.10 | 1,171,874 |
| 01/04/2021 | 01/04/2028 | \$0.20 | 2,092,187 |
| 01/04/2021 | 01/04/2028 | \$0.30 | 2,260,000 |
| 19/04/2021 | 18/04/2028 | \$0.10 | 2,750,000 |
| 19/04/2021 | 18/04/2028 | \$0.20 | 9,306,250 |
| 19/04/2021 | 18/04/2028 | \$0.30 | 4,331,250 |
| 01/05/2021 | 30/04/2028 | \$0.30 | 68,750 |
| 01/07/2021 | 30/06/2028 | \$0.10 | 1,171,876 |
| 01/07/2021 | 30/06/2028 | \$0.20 | 1,342,187 |
| 01/07/2021 | 30/06/2028 | \$0.30 | 1,578,750 |
| 01/10/2021 | 30/09/2028 | \$0.10 | 4,771,225 |
| 01/10/2021 | 30/09/2028 | \$0.20 | 8,540,890 |
| 01/10/2021 | 30/09/2028 | \$0.30 | 1,578,750 |
| 31/10/2021 | 30/10/2028 | \$0.30 | 2,163,533 |
| 01/01/2022 | 31/12/2028 | \$0.10 | 1,171,876 |
| 01/01/2022 | 31/12/2028 | \$0.20 | 1,342,187 |
| 01/01/2022 | 31/12/2028 | \$0.30 | 1,510,000 |
| | | | <u>47,151,585</u> |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Bettube Corporation Pty Limited issued on the exercise of options during the period ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

The Company's subsidiary, IRPSX Pty Ltd trading as Bet Right, has been advised by Liquor & Gaming NSW that a total of six advertisements have been published in breach of a prohibition on advertising containing unlawful inducements, with court appearance notices issued. IRPSX Pty Ltd has conducted reviews and implemented changes to its internal procedures. IRPSX Pty Ltd has attended the Local Court of New South Wales on 23rd February 2022 and intends to have its case heard by the Court. A hearing date of 23 November 2022 has been set. This maximum penalty for each offence is \$110,000. The matter is on-going as of the date of the signing of this report. Please note there were two distinct separate advertisements, each "published" in 3 different media, hence six advertisements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Bettube Corporation Pty Limited
Directors' report
30 June 2021

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in dark ink, appearing to read 'A Waller', with a long horizontal flourish extending to the right.

Anthony Robert Waller
Director

19 May 2022

Auditor's Independence Declaration

To the Directors of BetTube Corporation Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of BetTube Corporation Pty Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



N Bradley
Partner – Audit & Assurance

Sydney, 19 May 2022

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Bettube Corporation Pty Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2021

| | | Consolidated | |
|---|-------------|-----------------------------------|--|
| | Note | Year Ended 2021 \$ | 2 August 2019 - 30 June 2020 \$ |
| Revenue | | | |
| Revenue | 5 | 383,024 | - |
| Cost of sales | | (183,481) | - |
| Gross revenue | | 199,543 | - |
| Other income | 6 | 36,279 | - |
| Expenses | | | |
| Advertising expenses | | (143,683) | - |
| Consulting expenses | | (317,139) | - |
| Employee benefits expense | | (1,317,159) | - |
| Depreciation and amortisation expense | | (188,850) | - |
| Other expenses | | (202,601) | - |
| Finance costs | | (12,787) | - |
| Loss before income tax expense | | (1,946,397) | - |
| Income tax expense | 7 | - | - |
| Loss after income tax expense for the period attributable to the owners of Bettube Corporation Pty Limited | 25 | (1,946,397) | - |
| Other comprehensive income for the period, net of tax | | - | - |
| Total comprehensive income for the period attributable to the owners of Bettube Corporation Pty Limited | | (1,946,397) | - |
| | | Cents | Cents |
| Basic earnings per share | 37 | (1.19) | - |
| Diluted earnings per share | 37 | (1.19) | - |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Bettube Corporation Pty Limited
Statement of financial position
As at 30 June 2021

| | | Consolidated | |
|--------------------------------|-------------|----------------------|----------------------|
| | | Year Ended 30 | Year Ended 30 |
| | Note | June 2021 | June 2020 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 7,608,770 | 1 |
| Trade and other receivables | 9 | 10,000 | - |
| Other financial assets | 10 | 1,900 | - |
| Other current assets | 13 | 8,974 | - |
| Total current assets | | <u>7,629,644</u> | <u>1</u> |
| Non-current assets | | | |
| Trade and other receivables | 9 | 506 | - |
| Investments | 11 | 30 | - |
| Other financial assets | 14 | 260,830 | - |
| Property, plant and equipment | 15 | 308,123 | - |
| Right-of-use assets | 12 | 487,211 | - |
| Intangibles | 16 | 870,870 | - |
| Total non-current assets | | <u>1,927,570</u> | <u>-</u> |
| Total assets | | <u>9,557,214</u> | <u>1</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 17 | 381,395 | - |
| Lease liabilities | 18 | 222,105 | - |
| Employee benefits | 19 | 200,765 | - |
| Client deposits on hand | 20 | 96,748 | - |
| Pending bets | 21 | 40,770 | - |
| Total current liabilities | | <u>941,783</u> | <u>-</u> |
| Non-current liabilities | | | |
| Lease liabilities | 18 | 315,944 | - |
| Employee benefits | 19 | 54,632 | - |
| Total non-current liabilities | | <u>370,576</u> | <u>-</u> |
| Total liabilities | | <u>1,312,359</u> | <u>-</u> |
| Net assets | | <u>8,244,855</u> | <u>1</u> |
| Equity | | | |
| Issued capital | 22 | 3,340,325 | 1 |
| Other contributed equity | 23 | 4,843,410 | - |
| Reserves | 24 | 2,007,517 | - |
| Accumulated losses | 25 | (1,946,397) | - |
| Total equity | | <u>8,244,855</u> | <u>1</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

Bettube Corporation Pty Limited
Statement of changes in equity
For the period ended 30 June 2021

| | Issued capital \$ | Reserves \$ | Retained profits \$ | Total equity \$ |
|--|-------------------------|----------------|---------------------------|--------------------|
| Consolidated | | | | |
| Balance at 2 August 2019 | - | - | - | - |
| Profit after income tax expense for the period | - | - | - | - |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 22) | 1 | - | - | 1 |
| Balance at 30 June 2020 | 1 | - | - | 1 |

| | Issued capital \$ | Reserves \$ | Other contributed equity \$ | Retained profits \$ | Total equity \$ |
|--|-------------------------|----------------|--------------------------------------|---------------------------|--------------------|
| Consolidated | | | | | |
| Balance at 1 July 2020 | 1 | - | - | - | 1 |
| Loss after income tax expense for the period | - | - | - | (1,946,397) | (1,946,397) |
| Other comprehensive income for the period, net of tax | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (1,946,397) | (1,946,397) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 22) | 3,340,324 | - | - | - | 3,340,324 |
| Share-based payments (note 38) | - | 2,007,517 | - | - | 2,007,517 |
| Other contributed equity | - | - | 4,843,410 | - | 4,843,410 |
| Balance at 30 June 2021 | 3,340,325 | 2,007,517 | 4,843,410 | (1,946,397) | 8,244,855 |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Bettube Corporation Pty Limited
Statement of cash flows
For the period ended 30 June 2021

| | | Consolidated | |
|--|-------------|-----------------------------------|--|
| | Note | Year Ended 2021 \$ | 2 August 2019 - 30 June 2020 \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 211,495 | - |
| Payments to suppliers and employees (inclusive of GST) | | (1,247,285) | - |
| | | (1,035,790) | - |
| Interest and other finance costs paid | | (12,787) | - |
| Net cash used in operating activities | 36 | (1,048,577) | - |
| Cash flows from investing activities | | | |
| Net cash acquired on acquisition of subsidiary | 33 | 14,327 | - |
| Payments for investments | | (30) | - |
| Payments for property, plant and equipment | 15 | (329,198) | - |
| Payments for intangibles | 16 | (941,203) | - |
| Loans from/(to) related and other parties | | (506) | - |
| Net cash used in investing activities | | (1,256,610) | - |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 22 | 5,210,437 | 1 |
| Share issue transaction costs | | (93,287) | - |
| Proceeds from capital raise | 23 | 4,843,410 | - |
| Lease payments | | (46,604) | - |
| Net cash from financing activities | | 9,913,956 | 1 |
| Net increase in cash and cash equivalents | | 7,608,769 | 1 |
| Cash and cash equivalents at the beginning of the financial period | | 1 | - |
| Cash and cash equivalents at the end of the financial period | 8 | <u>7,608,770</u> | <u>1</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Bettube Corporation Pty Limited

Notes to the financial statements

30 June 2021

Note 1. General information

The financial statements cover Bettube Corporation Pty Limited as a consolidated entity consisting of Bettube Corporation Pty Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Bettube Corporation Pty Limited's functional and presentation currency.

Bettube Corporation Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, 7 Bridge Street, Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were originally authorised for issue, in accordance with a resolution of directors, on 2 March 2022. The directors have the power to amend and reissue the financial statements. The financial statements have been reissued as the directors determined that additional disclosures were necessary to ensure the financial statements and notes comply with Accounting Standards including additional disclosure in Note 22 regarding rights of "A" Class shareholders, Note 30 and 35 regarding a contingent liability that arose as a subsequent event, and Note 34 disclosing two additional dormant subsidiaries.

The reissued financial statements were authorised for issue, in accordance with a resolution of directors, on 19 May 2022.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2021, the consolidated entity had a net current assets position of \$6,687,861 (Year Ended 30 June 2020: \$1) and total equity of \$8,244,855 (Year Ended 30 June 2020: \$1).

On the basis of the above and performance post balance date and budgeted performance, the directors of the consolidated entity believe that the consolidated entity will be able to pay its debts as and when they become due and payable and as such the adoption of the going concern basis is appropriate.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated entity presents financial statements under AASB and IASB for the first time in the financial year ending 30 June 2021.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 2. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bettube Corporation Pty Limited ('company' or 'parent entity') as at 30 June 2021 and Year Ended 30 June 2020 and the results of all subsidiaries for the period then ended and for comparative period from 2 August 2019 (date of incorporation) to 30 June 2020. Bettube Corporation Pty Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Bettube Corporation Pty Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Revenue recognition

The consolidated entity recognises revenue as follows:

Betting activities revenue

Revenue from betting activities is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments. Revenue includes free bets, promotions, and bonuses. Revenue is recognised at a point of time when the outcome of betting event is determined.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Bettube Corporation Pty Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 2. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---------------------|-----------|
| Plant and equipment | 3-4 years |
|---------------------|-----------|

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 2. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 - 5 years.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Pending bets

Open betting positions (pending bets) are accounted for as derivative financial instrument and are carried at fair value. Gains and losses arising on the positions are recognised in revenue.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Client deposits on hand

Client deposits represent monies held on behalf of players to facilitate convenient betting. Client deposits are interest free and refundable to clients on demand.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 2. Significant accounting policies (continued)

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Bettube Corporation Pty Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment

The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment being sport and betting activities located predominantly in Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Major customers

During the year ended 30 June 2021 consolidated entity had no major customers.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 5. Revenue

| | Consolidated Year Ended 2021 \$ | 2 August 2019 - 30 June 2020 \$ |
|------------------|--|---------------------------------------|
| Turnover | 6,593,805 | - |
| Payouts | (6,067,703) | - |
| Promotions given | (143,078) | - |
| | <u>383,024</u> | <u>-</u> |

Note 6. Other income

| | Consolidated Year Ended 2021 \$ | 2 August 2019 - 30 June 2020 \$ |
|-------------------------|--|---------------------------------------|
| Profit on debt forgiven | 25,000 | - |
| Profit on acquisition | 11,274 | - |
| Interest | 5 | - |
| | <u>36,279</u> | <u>-</u> |

Note 7. Income tax expense

| | Consolidated Year Ended 2021 \$ | 2 August 2019 - 30 June 2020 \$ |
|--|--|---------------------------------------|
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense | (1,946,397) | - |
| Tax at the statutory tax rate of 26% | (506,063) | - |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Depreciation of property, plant and equipment | 25,430 | - |
| Other non-deductible expenses | 46,984 | - |
| | (433,649) | - |
| Current period tax losses not recognised | 341,086 | - |
| Current period temporary differences not recognised | 92,563 | - |
| Income tax expense | <u>-</u> | <u>-</u> |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 7. Income tax expense (continued)

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|---|--|----------------------------------|
| <i>Tax losses not recognised</i> | | |
| Unused tax losses for which no deferred tax asset has been recognised | 1,311,870 | - |
| Potential tax benefit @ 26% | 341,086 | - |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Cash and cash equivalents

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|-----------------------|--|----------------------------------|
| <i>Current assets</i> | | |
| Cash on hand | 21 | 1 |
| Cash at bank | 7,608,749 | - |
| | <u>7,608,770</u> | <u>1</u> |

Note 9. Trade and other receivables

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|---------------------------|--|----------------------------------|
| <i>Current assets</i> | | |
| Trade receivables | <u>10,000</u> | <u>-</u> |
| <i>Non-current assets</i> | | |
| Other receivables | <u>506</u> | <u>-</u> |

Note 10. Other financial assets

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|-----------------------|--|----------------------------------|
| <i>Current assets</i> | | |
| Security deposits | <u>1,900</u> | <u>-</u> |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 11. Investments

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|---------------------------|--|----------------------------------|
| <i>Non-current assets</i> | | |
| Ordinary shares | 30 | - |

Note 12. Right-of-use assets

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|-----------------------------------|--|----------------------------------|
| <i>Non-current assets</i> | | |
| Land and buildings - right-of-use | 487,211 | - |

Additions to the right-of-use assets during the year were \$584,653.

The consolidated entity leases land and buildings for its offices under agreements of 3 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The consolidated entity used incremental borrowing rate of 3.87% for the purposes of AASB 16 lease calculations.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

| Consolidated | \$ | Total \$ |
|--------------------------------|----------|-------------|
| Balance at 2 August 2019 | - | - |
| Balance at 30 June 2020 | - | - |
| Additions - land and buildings | 584,653 | 584,653 |
| Depreciation expense | (97,442) | (97,442) |
| Balance at 30 June 2021 | 487,211 | 487,211 |

The consolidated entity has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. These leases have been expensed as incurred and not capitalised as right-of-use assets.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 12. Right-of-use assets (continued)

Amounts recognised in statement of profit and loss and other comprehensive income

| | Consolidated Year Ended 2021 \$ | 2 August 2019 - 30 June 2020 \$ |
|--|--|---------------------------------------|
| Depreciation expenses of right-of-use assets | 97,442 | - |
| Interest expense on lease liabilities | 11,313 | - |
| Expenses relating to short-term lease | 6,028 | - |
| Expenses relating to variable lease payments | 5,820 | - |
| | <u>120,603</u> | <u>-</u> |

Note 13. Other current assets

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|-----------------------|--|----------------------------------|
| <i>Current assets</i> | | |
| Prepayments | 8,974 | - |
| | <u>8,974</u> | <u>-</u> |

Note 14. Other financial assets

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|---------------------------|--|----------------------------------|
| <i>Non-current assets</i> | | |
| Security deposits | 260,830 | - |
| | <u>260,830</u> | <u>-</u> |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 15. Property, plant and equipment

| | Consolidated | |
|--------------------------------|-----------------------|----------------------|
| | Year Ended 30 | Year Ended 30 |
| | June 2021 | June 2020 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Plant and equipment - at cost | 367 | - |
| Less: Accumulated depreciation | (367) | - |
| | <u>-</u> | <u>-</u> |
| Computer equipment - at cost | 93,164 | - |
| Less: Accumulated depreciation | (10,377) | - |
| | <u>82,787</u> | <u>-</u> |
| Office equipment - at cost | 235,667 | - |
| Less: Accumulated depreciation | (10,331) | - |
| | <u>225,336</u> | <u>-</u> |
| | <u><u>308,123</u></u> | <u><u>-</u></u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

| Consolidated | Plant and equipment \$ | Computer equipment \$ | Office equipment \$ | Total \$ |
|---|------------------------------|-----------------------------|---------------------------|----------------|
| Balance at 2 August 2019 | - | - | - | - |
| Balance at 30 June 2020 | - | - | - | - |
| Additions | - | 93,164 | 235,667 | 328,831 |
| Additions through business combinations (note 33) | 367 | - | - | 367 |
| Depreciation expense | (367) | (10,377) | (10,331) | (21,075) |
| Balance at 30 June 2021 | <u>-</u> | <u>82,787</u> | <u>225,336</u> | <u>308,123</u> |

Note 16. Intangibles

| | Consolidated | |
|----------------------------------|-----------------------|----------------------|
| | Year Ended 30 | Year Ended 30 |
| | June 2021 | June 2020 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Patents and trademarks - at cost | 1,000 | - |
| Software - at cost | 940,203 | - |
| Less: Accumulated amortisation | (70,333) | - |
| | <u>869,870</u> | <u>-</u> |
| | <u><u>870,870</u></u> | <u><u>-</u></u> |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 16. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

| Consolidated | Patents and trademarks \$ | Software \$ | Total \$ |
|--------------------------|---------------------------------|----------------|----------------|
| Balance at 2 August 2019 | - | - | - |
| Balance at 30 June 2020 | - | - | - |
| Additions | 1,000 | 940,203 | 941,203 |
| Amortisation expense | - | (70,333) | (70,333) |
| Balance at 30 June 2021 | <u>1,000</u> | <u>869,870</u> | <u>870,870</u> |

The consolidated entity acquired during the year wagering platform software code for \$500,000. The remaining amount of \$440,203 relates to internally developed software.

Note 17. Trade and other payables

| | Consolidated | |
|----------------------------|------------------------------------|------------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 194,302 | - |
| Accrued expenses | <u>187,093</u> | <u>-</u> |
| | <u>381,395</u> | <u>-</u> |

Note 18. Lease liabilities

| | Consolidated | |
|--------------------------------|------------------------------------|------------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Lease liability | <u>222,105</u> | <u>-</u> |
| <i>Non-current liabilities</i> | | |
| Lease liability | <u>315,944</u> | <u>-</u> |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 19. Employee benefits

| | Consolidated | |
|---|------------------------------------|------------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Annual leave | 200,765 | - |
| <i>Non-current liabilities</i> | | |
| Long service leave | 54,632 | - |
| | Annual leave provision \$ | Long service leave provision \$ |
| Carrying amount at the start of the period | - | - |
| Additional provisions recognised | 114,286 | 54,632 |
| Additions through business combinations (note 33) | 86,479 | - |
| Carrying amount at the end of the period | 200,765 | 54,632 |

Note 20. Client deposits on hand

| | Consolidated | |
|----------------------------|------------------------------------|------------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Client deposits on hand | 96,748 | - |

Note 21. Pending bets

| | Consolidated | |
|----------------------------|------------------------------------|------------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Pending bets | 40,770 | - |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 22. Issued capital

| | Consolidated | | | |
|------------------------------|--------------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| | Year Ended 30 June 2021 Shares | Year Ended 30 June 2020 Shares | Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
| Ordinary shares - fully paid | 150,000,000 | 1 | 200 | 1 |
| A Class shares - fully paid | 51,660,869 | - | 5,210,238 | - |
| Less: Share issue costs | - | - | (1,870,113) | - |
| | <u>201,660,869</u> | <u>1</u> | <u>3,340,325</u> | <u>1</u> |

Movements in ordinary share capital

| Details | Date | Shares | \$ |
|--|---------------|--------------------|------------|
| Balance | 2 August 2019 | - | - |
| Ordinary shares issued during the year | | <u>1</u> | <u>1</u> |
| Balance | 30 June 2020 | 1 | 1 |
| Ordinary shares issued during the year | | <u>149,999,999</u> | <u>199</u> |
| Balance | 30 June 2021 | <u>150,000,000</u> | <u>200</u> |

Movements in class A share capital

| Details | Date | Shares | \$ |
|---------------------------------------|---------------|-------------------|------------------|
| Balance | 2 August 2019 | - | - |
| Balance | 30 June 2020 | - | - |
| Class A shares issued during the year | | <u>51,660,869</u> | <u>5,210,238</u> |
| Balance | 30 June 2021 | <u>51,660,869</u> | <u>5,210,238</u> |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

A class shares

A class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 22. Issued capital (continued)

The principal terms which affect the rights of ORD Shares are:

Mandatory conversion of "A" Class Shares to ORD Shares will only occur when the ORD Shares are listed or quoted on a securities exchange pursuant to an Initial Public Offering (IPO).

"A" Class Shares are entitled to receive the cumulative dividend up to a prescribed amount as priority to any dividend paid on Ord Shares or on any other class of shares.

Both Ord Shares and "A" Class Shares will share pro rata in the further payment of any dividends, if any, announced following payment of cumulative preference dividends to "A" Class Shares and subsequent payment of dividends to ORD Shares up to prescribed amount respectively.

In the event of a winding up, in respect of the payment or distribution of the capital available to members, "A" Class Shares rank in priority to the claims of ORD Shares and other classes of shares, if any up to prescribed amount.

"A" Class Shares will share pro rata in the payment or distribution of further surplus, if any, after payment to "A" Class Shares, ORD Shares and other classes of shares, if any, up to the prescribed amounts respectively.

"A" Class Shares have same rights as those conferred on ORD Shares to receive notices, reports and audited accounts, and attending meetings.

"A" Class Shares have one vote per share.

"A" Class Shares have been issued at \$0.10.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

Note 23. Other contributed equity

| | Consolidated | |
|-----------------|--------------------------------|--------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| Capital raising | <u>4,843,410</u> | <u>-</u> |

The other contributed equity is funds received for the purchase of shares for which the shares were not yet issued at 30 June 2021.

Note 24. Reserves

| | Consolidated | |
|-----------------|--------------------------------|--------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| Options reserve | <u>2,007,517</u> | <u>-</u> |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 25. Accumulated losses

| | Consolidated Year Ended 30 June 2021 \$ | Year Ended 30 June 2020 \$ |
|---|--|----------------------------------|
| Retained profits at the beginning of the financial period | - | - |
| Loss after income tax expense for the period | (1,946,397) | - |
| Accumulated losses at the end of the financial period | <u>(1,946,397)</u> | <u>-</u> |

Note 26. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 27. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

The consolidated entity is not exposed to any significant foreign currency risk.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 27. Financial instruments (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| | Weighted average interest rate | 1 year or less | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Remaining contractual maturities |
|---|--------------------------------------|----------------|--------------------------|--------------------------|--------------|--|
| Consolidated - Year Ended 30 June 2021 | % | \$ | \$ | \$ | \$ | \$ |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 166,479 | - | - | - | 166,479 |
| Client deposits on hand | - | 160,260 | - | - | - | 160,260 |
| Pending bets | - | 29,402 | - | - | - | 29,402 |
| <i>Interest-bearing - variable</i> | | | | | | |
| Lease liability | 3.87% | 224,299 | 233,065 | 118,766 | - | 576,130 |
| Total non-derivatives | | 580,440 | 233,065 | 118,766 | - | 932,271 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 28. Key management personnel disclosures

Directors

The following persons were directors of Bettube Corporation Pty Limited during the financial period:

| | |
|-----------------------|------------------------|
| Anthony Robert Waller | Full financial year |
| Weng Nian Siow | Appointed 15 June 2021 |
| Paul John Weeks | Appointed 15 June 2021 |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 28. Key management personnel disclosures (continued)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial period:

| | |
|------------------|--|
| Peter Staunton | Chief Operating Officer, appointed 30 November 2020 |
| Stephen Fletcher | Head of Trading, appointed 27 January 2021 |
| Troy Sobolewski | Chief Technology Officer, appointed 23 November 2020 |
| Mitchell Brown | Head of Digital Operations, full financial year |

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

| | Consolidated | |
|------------------------------|---------------------|-----------------------|
| | Year Ended | 2 August 2019 |
| | 2021 | - 30 June 2020 |
| | \$ | \$ |
| Short-term employee benefits | 657,517 | - |
| Post-employment benefits | 61,818 | - |
| Long-term benefits | 45,045 | - |
| | <u>764,380</u> | <u>-</u> |

Note 29. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by , the auditor of the company:

| | Consolidated | |
|-----------------------------------|---------------------|-----------------------|
| | Year Ended | 2 August 2019 |
| | 2021 | - 30 June 2020 |
| | \$ | \$ |
| <i>Audit services -</i> | | |
| Audit of the financial statements | <u>56,500</u> | <u>-</u> |

Note 30. Contingent liabilities

The Company's subsidiary, IRPSX Pty Ltd trading as Bet Right, has been advised by Liquor & Gaming NSW that a total of six advertisements have been published in breach of a prohibition on advertising containing unlawful inducements, with court appearance notices issued. IRPSX Pty Ltd has conducted reviews and implemented changes to its internal procedures. IRPSX Pty Ltd has attended the Local Court of New South Wales on 23rd February 2022 and intends to have its case heard by the Court. A hearing date of 23 November 2022 has been set. The maximum penalty for each offence is \$110,000. The matter is on-going as of the date of the signing of this report. Please note there were two distinct separate advertisements, each "published" in 3 different media, hence six advertisements.

Note 31. Related party transactions

Parent entity

Bettube Corporation Pty Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 31. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 28.

Transactions with related parties

Bettube Corporation Pty Limited borrowed \$25,000 from the related party Bettube Pty Limited. Bettube Pty Limited is the shareholder of Bettube Corporation Pty Limited. That loan was forgiven during the year.

There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

| | Consolidated | |
|--------------------------|------------------------------------|------------------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| Non-current receivables: | | |
| Loan to subsidiaries | 506 | - |

Loan of \$506 was given to Bet Right Pty Limited, a wholly owned subsidiary of Bettube Corporation Pty Limited.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|----------------------------|---|
| | Year Ended 2021 | 2 August 2019 - 30 June 2020 |
| | \$ | \$ |
| Loss after income tax | (301,346) | - |
| Total comprehensive income | (301,346) | - |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 32. Parent entity information (continued)

Statement of financial position

| | Parent | |
|---------------------------|----------------------------|----------------------------|
| | Year Ended 30 June 2021 | Year Ended 30 June 2020 |
| | \$ | \$ |
| Total current assets | 6,950,922 | 1 |
| Total assets | 7,396,668 | 1 |
| Total current liabilities | (2,493,238) | - |
| Total liabilities | (2,493,238) | - |
| Equity | | |
| Issued capital | 3,340,325 | 1 |
| Other contributed equity | 4,843,410 | - |
| Options reserve | 2,007,517 | - |
| Accumulated losses | (301,346) | - |
| Total equity | 9,889,906 | 1 |

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Bettube Corporation Pty Limited

Notes to the financial statements

30 June 2021

Note 33. Business combinations

On 10 August 2020 Bettube Corporation Pty Limited acquired 100% of the ordinary shares of IRPSX Pty Limited for the total consideration transferred of \$100. It was acquired to set up an operational division and to limit risk liability in relation to any claims in relation to future development of intellectual property. The values identified in relation to the acquisition of IRPSX Pty Limited are final as at 30 June 2021.

Details of the acquisition are as follows:

| | Fair value \$ |
|---|------------------|
| Cash and cash equivalents | 14,427 |
| Income tax refund due | 156,365 |
| Other receivables | 60,026 |
| Provision | 240,999 |
| Plant and equipment | 367 |
| Trade payables | (956) |
| Other payables | (373,376) |
| Employee benefits | (86,479) |
| | <hr/> |
| Acquisition-date fair value of net assets | 11,373 |
| | <hr/> <hr/> |
| Representing: | |
| Cash paid | 100 |
| | <hr/> <hr/> |
| Gain on acquisition | 11,273 |
| | <hr/> <hr/> |

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|-----------------------------|---|---------------------------------|---------------------------------|
| | | Year Ended 30 June 2021 % | Year Ended 30 June 2020 % |
| IRPSX Pty Limited | Australia | 100.00% | - |
| Bet Right Pty Limited | Australia | 100.00% | - |
| ACN 648 341 360 Pty Limited | Australia | 100.00% | - |

Note 35. Events after the reporting period

Bettube Corporation Pty Limited issued extra 42,221,287 ordinary shares raising additional \$7,177,619 and issued an additional 25,171,274 in share options to employees under existing Bettube Employee Option Plan.

Bettube Corporation Pty Limited applied to become a public unlisted company in July 2021. Status was granted on 10 August 2021 and the company changed its name to Bettube Corporation Limited.

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 35. Events after the reporting period (continued)

The Company's subsidiary, IRPSX Pty Ltd trading as Bet Right, has been advised by Liquor & Gaming NSW that a total of six advertisements have been published in breach of a prohibition on advertising containing unlawful inducements, with court appearance notices issued. IRPSX Pty Ltd has conducted reviews and implemented changes to its internal procedures. IRPSX Pty Ltd has attended the Local Court of New South Wales on 23rd February 2022 and intends to have its case heard by the Court. A hearing date of 23 November 2022 has been set. The maximum penalty for each offence is \$110,000. The matter is on-going as of the date of the signing of this report. Please note there were two distinct separate advertisements, each "published" in 3 different media, hence six advertisements.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 36. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|--|---------------------|-----------------------|
| | Year Ended | 2 August 2019 |
| | 2021 | - 30 June 2020 |
| | \$ | \$ |
| Loss after income tax expense for the period | (1,946,397) | - |
| Adjustments for: Depreciation | 188,850 | - |
| and amortisation Share-based | 230,691 | - |
| payments | | |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables Increase | (24,327) | - |
| in prepayments | (8,974) | - |
| Increase in other operating assets Increase in | (262,730) | - |
| trade and other payables Increase in employee | 381,395 | - |
| benefits Increase in other operating liabilities | 255,397 | - |
| | 137,518 | - |
| Net cash used in operating activities | <u>(1,048,577)</u> | <u>-</u> |

Note 37. Earnings per share

| | Consolidated | |
|---|---------------------|-----------------------|
| | Year Ended | 2 August 2019 |
| | 2021 | - 30 June 2020 |
| | \$ | \$ |
| Loss after income tax attributable to the owners of Bettube Corporation Pty Limited | <u>(1,946,397)</u> | <u>-</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>163,516,256</u> | <u>1</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>163,516,256</u> | <u>1</u> |
| | Cents | Cents |
| Basic earnings per share | (1.19) | - |
| Diluted earnings per share | (1.19) | - |

Bettube Corporation Pty Limited
Notes to the financial statements
30 June 2021

Note 38. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

| | | | Number of options Year Ended 30 June 2021 | Weighted average exercise price Year Ended 30 June 2021 | | Number of options Year Ended 30 June 2020 | Weighted average exercise price Year Ended 30 June 2020 |
|--|-------------|-------------------|--|---|-----------|--|---|
| Outstanding at the beginning of the financial period | | | - | \$0.00 | | - | \$0.00 |
| Granted | | | 21,980,311 | \$0.21 | | - | \$0.00 |
| Outstanding at the end of the financial period | | | 21,980,311 | \$0.21 | | - | \$0.00 |
| Year Ended 30 June 2021 | | | | | | | |
| Grant date | Expiry date | Exercise price | Balance at the start of the period | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the period |
| 01/04/2021 | 31/03/2028 | \$0.10 | - | 1,171,874 | - | - | 1,171,874 |
| 01/04/2021 | 31/03/2028 | \$0.20 | - | 2,092,187 | - | - | 2,092,187 |
| 01/04/2021 | 31/03/2028 | \$0.30 | - | 2,260,000 | - | - | 2,260,000 |
| 19/04/2021 | 18/04/2028 | \$0.10 | - | 2,750,000 | - | - | 2,750,000 |
| 19/04/2021 | 18/04/2028 | \$0.20 | - | 9,306,250 | - | - | 9,306,250 |
| 19/04/2021 | 18/04/2028 | \$0.30 | - | 4,331,250 | - | - | 4,331,250 |
| 01/05/2021 | 30/04/2028 | \$0.30 | - | 68,750 | - | - | 68,750 |
| | | | - | 21,980,311 | - | - | 21,980,311 |

The weighted average remaining contractual life of options outstanding at the end of the financial period was 6 years.

The weighted average fair value of the options granted was estimated at \$0.14 per option.

The fair value of the employee share options has been measured using the Binominal Model approach.

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows:

- current price - 17 cents being the prevailing market price of Bettube Corporation Pty Limited shares;
- exercise or strike price - being the exercise price of an option under each tranche as set out above;
- time to expiry of the option - of 7 years from the date of issue as specified for each tranche above;
- risk free rate - 1.25% to 1.72%;
- price volatility – 100% based on the assessment of the volatility of Bettube Corporation Pty Limited shares from an analysis of the share price volatility of a basket of listed comparable companies.

Bettube Corporation Pty Limited
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Anthony Robert Waller
Director

19 May 2022

Independent Auditor's Report

To the Members of BetTube Corporation Pty Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of BetTube Corporation Pty Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the period ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 in the financial statements, which indicates that the financial statements were originally authorised for issue, in accordance with a resolution of directors, on 2 March 2022. The financial statements have been reissued as the directors determined that additional disclosures were necessary to ensure the financial statements and notes comply with Accounting Standards. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



N J Bradley
Partner – Audit & Assurance

Sydney, 19 May 2022