

BetTube Corporation Ltd

ABN 23 635 285 326

Annual Reports - 30 June 2022

BetTube Corporation Ltd

Directors' report

30 June 2022

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 Ltd (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 2022.

Directors

The following persons were directors of BetTube Corporation Ltd 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 Weekes

Principal activities

The principal 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 \$408,000 (30 June 2021: \$1,947,000).

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.

The profit for the trading entity, IRPSX amounted to \$1.1m (30 June 2021: loss of \$1.6m).

Significant changes in the state of affairs

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 Ltd. The company applied for direct listing on NSXA in November 2021.

BetTube Corporation Ltd made strategic investments by purchasing shares in Bluebet Holdings Limited (ASX:BBT) for \$1,038,985 and Mercari Pty Limited for \$250,000.

BetTube Corporation Ltd issued 42,221,288 new ordinary shares during the year raising additional \$6,681,849.

The company issued additional 32,705,341 share options to employees under the existing Bettube Employee Option Plan. Bettube Employee Share Plan was instituted for selected employees. The plan was approved by the Board on 22 December 2021 and an additional 1,823,529 shares were issued under the plan. We will continue to focus on hiring and retaining versatile and talented employees, and continue to weight their compensation to stock options rather than cash.

There was a significant increase in staff number from total of 36 employees in 2021 to 63 in 2022.

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 Ltd applied for direct listing on NSXA in November 2021. The company was listed on NSXA on 14 July 2022, NSX code is NSX:BOX.

No other matter or circumstance has arisen since 30 June 2022 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.

BetTube Corporation Ltd

Directors' report

30 June 2022

Likely developments and expected results of operations

As disclosed, there was a significant increase in employees over current financial year. The additional staff were primarily in Platform Development, Data and Client Services. Continued research and development are being expended on new client interfaces using new technologies (React & Flutter) as well as machine learning to create algorithms for personalisation of wagering experience. We are aiming at releasing the new applications in 2022, however the full impact of personalisation will not be seen for at least 2 to 3 years.

Specific 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.

Information on directors

Anthony Robert Waller - CEO, Executive Director, Legal Counsel

Director – 2 August 2019 to present

Qualifications:

- Legal Practice Certificate, LLB, B. Economics.

Employment History:

- CEO, Director & Legal Counsel, BetTube Corporation Ltd – 2019 to present
- CEO, Director & Legal Counsel, IRPSX Pty Ltd – 2019 to present
- Legal Counsel, Financial & Energy Exchange Limited – 2016 to present
- Director, Sole Practitioner, Waller Lawyers Pty Ltd – 2014 to 2016
- COO, CFO and Legal Counsel, Sportingbet Australia Limited, Sportingbet Group Australia Pty Limited, Centrebet Pty Limited (2011-2014), William Hill Australia Pty Limited – 2001 to 2014
- Employer Solicitor, Corporate and Business Law, MWA Lawyers Pty Ltd – 1997 to 2001 and 2016 to 2021
- Sole Director, R&D Consultant, Group One Consulting Pty Ltd – 1992 to 1996
- Manager, Taxation, Ernst & Young/Arthur Young – 1985 to 1991

Other current directorships in listed companies:

N/A

Former directorships in listed companies (last 3 years):

N/A

Interests in shares in BetTube Corporation Ltd:

ORD Shares – 119,746,001 (indirect interests held via BetTube Pty Ltd)

Options granted during the reporting period:

None

Options held at the end of the reporting period:

None

BetTube Corporation Ltd
Directors' report
30 June 2022

Weng Nian Siow - Executive Director, Company Secretary, Legal Corporate Governance
Director – 15 June 2021 to present

Qualifications:

- LLM (Hons), LLB (Hons).

Employment History:

- Legal Governance, Director, Company Secretary, IRPSX Pty Ltd - 2017 to present.
- Associate Lecturer, Faculty of Law, University of Technology Sydney - 2002 to 2017
- Legal Editor, LexisNexis Butterworths - 2000 to 2002
- Associate Lecturer, School of Accounting, Charles Sturt University - 1995 to 1999

Other current directorships in listed companies:

N/A

Former directorships in listed companies (last 3 years):

N/A

Interests in shares in BetTube Corporation Ltd:

ORD Shares – 1,000

Options granted during the reporting period:

2,022,353

Options held at the end of the reporting period:

2,608,290

Paul John Weekes – Non-Executive Director

Director – 15 June 2021 to present

Qualifications:

- BBus, Qualified Accountant.

Employment History:

- General Manager, Shoalhaven City Turf Club - 2019 to present
- Consulting & Special Projects, Harness Racing NSW - 2018 to 2020
- CFO, Aquis Farm - 2018
- Executive Officer, Country Racing, Racing NSW - 2011 to 2018
- General Manager Finance, Magic Millions - 1998 to 2010
- Chartered Accountant, Ferrier Hodgson - 1988 to 1997

Other current directorships in listed companies:

N/A

Former directorships in listed companies (last 3 years):

N/A

Interests in shares in BetTube Corporation Ltd:

"A" Class Shares – 250,000

Options granted during the reporting period:

None

Options held at the end of the reporting period:

None

BetTube Corporation Ltd

Directors' report

30 June 2022

All persons listed as Directors are not presently and have not been directors of other listed companies in the 3 years immediately before the end of the financial year.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the period ended 30 June 2022, and the number of meetings attended by each director were:

	Board Meetings Attended	Board Meetings Held
Anthony Robert Waller	4	4
Weng Nian Siow	4	4
Paul John Weekes	4	4

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

BetTube Corporation Ltd

Directors' report

30 June 2022

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Consolidated entity performance and link to remuneration

As a newly constituted group, completing its first full year of trading, the consolidated entity has not yet implemented cash bonuses and incentive payments (long term or short term) directly linked to company's earnings or the consequences on shareholder wealth. Base Pay and non-monetary benefits have been formulated with reference to market forces.

No dividends were paid by the consolidated entity and BetTube Corporation Ltd has not been listed for a sufficient amount of time to link remuneration to changes in the price at which shares in the company are traded.

The consolidated entity will continue to focus on hiring and retaining versatile and talented employees, including directors and continue to weight their compensation to stock options rather than base pay and short-term performance incentives.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of BetTube Corporation Ltd:

- Anthony Robert Waller - Executive Director, Chair, Chief Executive Officer, Legal Counsel
- Weng Nian Siow - Executive Director, Company Secretary, Legal Governance
- Paul John Weekes - Non-executive Director

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

BetTube Corporation Ltd
Directors' report
30 June 2022

Year Ended 2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
Paul Weekes	30,000	-	-	-	-	-	30,000
<i>Executive Directors:</i>							
Anthony Waller	256,060	-	-	23,568	5,023	-	284,651
Weng Siow	155,500	-	-	15,550	4,277	150,416	325,743
	441,560	-	-	39,118	9,300	150,416	640,394

Year Ended 2021	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
Paul Weekes	-	-	-	-	-	-	-
<i>Executive Directors:</i>							
Anthony Waller	251,135	-	-	22,826	22,180	-	296,141
Weng Siow	123,791	-	-	11,985	9,392	44,190	189,358
	374,926	-	-	34,811	31,572	44,190	485,499

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the period ended 30 June 2022.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial period or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per option at grant date
Weng Siow	585,937	1/07/2021	1/07/2024	30/06/2028	\$0.10	\$0.075
	585,973	1/10/2021	1/10/2024	30/09/2028	\$0.10	\$0.076
	66,135	31/10/2021	31/12/2024	30/10/2028	\$0.30	\$0.067
	585,938	1/01/2022	1/01/2025	31/12/2028	\$0.10	\$0.076
	66,135	31/01/2022	31/01/2025	30/01/2029	\$0.30	\$0.067
	66,135	30/04/2022	30/04/2025	29/04/2029	\$0.30	\$0.068
	66,135	30/06/2022	30/06/2025	29/06/2029	\$0.30	\$0.068

BetTube Corporation Ltd
Directors' report
30 June 2022

Options granted carry no dividend or voting rights.

The options only vest while the eligible person remains acting as a director of BetTube Corporation Ltd. Performance criteria are not attached to the vesting.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the period ended 30 June 2022 are set out below:

Name	Number of options granted during the period Year Ended 2022	Number of options granted during the period Year Ended 2021	Number of options vested during the period Year Ended 2022	Number of options vested during the period Year Ended 2021
Anthony Waller	-	-	-	-
Weng Siow	2,022,353	585,937	-	-
Paul Weekes	-	-	-	-

The number of options over ordinary shares in BetTube Corporation Ltd held during the period ended 30 June 2022 by directors and other key management personnel, including their personally related parties, is set out below:

	Balance at 1 July 2021	Granted	Exercised	Expires/ forfeited/ other	Balance at 30 June 2022
<i>Non-executive directors:</i>	-	-	-	-	-
Paul Weekes	-	-	-	-	-
<i>Executive directors:</i>	-	-	-	-	-
Anthony Waller	-	-	-	-	-
Weng Siow	585,937	2,022,353	-	-	2,608,290

The following sets out details of the movement in shares held by directors, other key management personnel and their related parties during the year:

Type	Balance at 1 July 2021	Options vested and exercised	Other net changes during the year	Balance at 30 June 2022
<i>Non-executive directors:</i>	-	-	-	-
Paul Weekes	-	-	-	-
Non-beneficially held	250,000	-	-	250,000
<i>Executive directors:</i>	-	-	-	-
Anthony Waller	-	-	-	-
Non-beneficially held	119,746,001	-	-	119,746,001
Weng Siow	-	-	1,000	1,000
Non-beneficially held	-	-	-	-

This concludes the remuneration report, which has been audited.

BetTube Corporation Ltd

Directors' report

30 June 2022

Shares under option

Unissued ordinary shares of BetTube Corporation Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01/04/2021	31/03/2028	\$0.10	1,171,874
01/04/2021	31/03/2028	\$0.20	1,975,938
01/04/2021	31/03/2028	\$0.30	2,098,750
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	1,225,937
01/07/2021	30/06/2028	\$0.30	1,417,500
01/10/2021	30/09/2028	\$0.10	4,771,225
01/10/2021	30/09/2028	\$0.20	8,424,640
01/10/2021	30/09/2028	\$0.30	1,417,500
31/10/2021	30/10/2028	\$0.30	2,113,533
01/01/2022	31/12/2028	\$0.10	1,171,876
01/01/2022	31/12/2028	\$0.20	1,225,937
01/01/2022	31/12/2028	\$0.30	1,417,500
31/01/2022	30/01/2029	\$0.30	2,113,532
30/04/2022	29/04/2029	\$0.30	2,113,533
30/06/2022	29/06/2029	\$0.20	419,220
30/06/2022	29/06/2029	\$0.30	2,669,031
			<u>53,375,652</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 Ltd issued on the exercise of options during the period ended 30 June 2022 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. The matter is on-going as of the date of the signing of this report with hearing in Local Court listed for 23 November 2022. Please note there were two distinct separate advertisements, each "published" in 3 different media, hence six advertisements.

BetTube Corporation Ltd
Directors' report
30 June 2022

Non-audit services

There were no non-audit services provided during the financial period by the auditor.

Officers of the company who are former partners of

There are no officers of the company who are former partners of Grant Thornton Australia.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Auditor

Grant Thornton Australia continues in office in accordance with section 327 of the Corporations Act 2001.

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



Anthony Robert Waller
Director

13 September 2022

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of BetTube Corporation Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of BetTube Corporation Ltd for the year ended 30 June 2022, 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, 13 September 2022

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

BetTube Corporation Ltd
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2022

		Consolidated	
	Note	Year Ended 2022 \$'000	Year Ended 2021 \$'000
Revenue			
Revenue	5	20,056	383
Cost of sales		(8,893)	(183)
Gross revenue		11,163	200
Other income	6	465	36
Expenses			
Advertising expenses		(521)	(144)
Consulting expenses		(1,088)	(317)
Employee benefits expense		(5,142)	(1,317)
Depreciation and amortisation expense		(591)	(189)
Fair value losses on financial assets at FVTPL		(356)	-
Bank fees		(757)	-
Data feeds		(2,083)	-
Licensing fees		(386)	-
Other expenses		(821)	(203)
Finance costs		(22)	(13)
Loss before income tax expense		(139)	(1,947)
Income tax expense	7	(269)	-
Loss after income tax expense for the period attributable to the owners of BetTube Corporation Ltd	25	(408)	(1,947)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to the owners of BetTube Corporation Ltd		(408)	(1,947)
		Cents	Cents
Basic earnings per share	37	(0.17)	(1.19)
Diluted earnings per share	37	(0.17)	(1.19)

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

BetTube Corporation Ltd
Statement of financial position
As at 30 June 2022

		Consolidated	
		Year Ended 30	Year Ended 30
	Note	June 2022	June 2021
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	8	11,161	7,609
Trade and other receivables	9	467	10
Financial assets	11	18	2
Pending bets	12	21	-
Other current assets	13	104	9
Total current assets		<u>11,771</u>	<u>7,630</u>
Non-current assets			
Property, plant and equipment	14	339	309
Right-of-use assets	10	300	487
Intangibles	15	1,715	871
Financial assets	11	1,194	261
Total non-current assets		<u>3,548</u>	<u>1,928</u>
Total assets		<u>15,319</u>	<u>9,558</u>
Liabilities			
Current liabilities			
Trade and other payables	16	2,855	382
Lease liabilities	17	220	222
Employee benefits	18	547	201
Client deposits on hand	19	1,443	97
Pending bets	20	-	41
Total current liabilities		<u>5,065</u>	<u>943</u>
Non-current liabilities			
Lease liabilities	17	121	316
Deferred tax	21	269	-
Employee benefits	18	135	55
Total non-current liabilities		<u>525</u>	<u>371</u>
Total liabilities		<u>5,590</u>	<u>1,314</u>
Net assets		<u>9,729</u>	<u>8,244</u>
Equity			
Issued capital	22	8,262	3,340
Other contributed equity	23	-	4,843
Reserves	24	3,822	2,008
Accumulated losses	25	(2,355)	(1,947)
Total equity		<u>9,729</u>	<u>8,244</u>

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

BetTube Corporation Ltd
Statement of changes in equity
For the period ended 30 June 2022

	Issued capital \$'000	Reserves \$'000	Other contributed equity \$'000	Retained profits \$'000	Total equity \$'000
Consolidated					
Balance at 1 July 2020	-	-	-	-	-
Loss after income tax expense for the period	-	-	-	(1,947)	(1,947)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,947)	(1,947)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 22)	3,340	-	-	-	3,340
Share-based payments (note 38)	-	2,008	-	-	2,008
Other contributed equity	-	-	4,843	-	4,843
Balance at 30 June 2021	3,340	2,008	4,843	(1,947)	8,244
Consolidated	Issued capital \$'000	Reserves \$'000	Other contributed equity \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	3,340	2,008	4,843	(1,947)	8,244
Loss after income tax expense for the period	-	-	-	(408)	(408)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(408)	(408)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 22)	4,922	-	(4,843)	-	79
Share-based payments	-	1,814	-	-	1,814
Balance at 30 June 2022	8,262	3,822	-	(2,355)	9,729

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

BetTube Corporation Ltd
Statement of cash flows
For the period ended 30 June 2022

		Consolidated	
	Note	Year Ended 2022 \$'000	Year Ended 2021 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,171	211
Payments to suppliers and employees (inclusive of GST)		(6,130)	(1,246)
		5,041	(1,035)
Interest and other finance costs paid		(22)	(13)
Net cash from/(used in) operating activities	36	5,019	(1,048)
Cash flows from investing activities			
Net cash acquired on acquisition of subsidiary		-	14
Payments for investments		(1,289)	-
Payments for property, plant and equipment	14	(156)	(329)
Payments for intangibles	15	(1,112)	(941)
Net cash used in investing activities		(2,557)	(1,256)
Cash flows from financing activities			
Proceeds from issue of shares	22	1,839	5,210
Share issue transaction costs		(542)	(93)
Proceeds from capital raise	23	-	4,843
Lease payments		(207)	(47)
Net cash from financing activities		1,090	9,913
Net increase in cash and cash equivalents		3,552	7,609
Cash and cash equivalents at the beginning of the financial period		7,609	-
Cash and cash equivalents at the end of the financial period	8	11,161	7,609

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

BetTube Corporation Ltd

Notes to the financial statements

30 June 2022

Note 1. General information

The financial statements cover BetTube Corporation Ltd as a consolidated entity consisting of BetTube Corporation Ltd 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 Ltd's functional and presentation currency.

BetTube Corporation Ltd is a listed public 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 authorised for issue, in accordance with a resolution of directors, on 13 September 2022. The directors have the power to amend and reissue the financial statements.

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 2022, the consolidated entity had a net current assets position of \$6,706,000 (Year Ended 30 June 2021: \$6,687,000) and total equity of \$9,729,000 (Year Ended 30 June 2021: \$8,244,000).

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 Ltd

Notes to the financial statements

30 June 2022

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 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BetTube Corporation Ltd ('company' or 'parent entity') as at 30 June 2022 and Year Ended 30 June 2021 and the results of all subsidiaries for the period then ended and for comparative period from 1 July 2020 (date of incorporation) to 30 June 2021. BetTube Corporation Ltd 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 Ltd'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.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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 Ltd (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.

Note 2. Significant accounting policies (continued)

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.

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.

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.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

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:

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.

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.

Note 2. Significant accounting policies (continued)

Internally developed software

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the consolidated entity intends to and has sufficient resources to complete the project
- the consolidated entity has the ability to use or sell the software, and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development. Software development includes completed and in process development.

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of BetTube Corporation Ltd, 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.

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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 2022. 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.

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

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.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

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.

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.

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

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 2022 the consolidated entity had no major customers.

Note 5. Revenue

	Consolidated	
	Year Ended	Year Ended
	2022	2021
	\$'000	\$'000
Turnover	280,279	6,594
Payouts	(252,945)	(6,068)
Promotions given	(7,278)	(143)
	<u>20,056</u>	<u>383</u>

Note 6. Other income

	Consolidated	
	Year Ended	Year Ended
	2022	2021
	\$'000	\$'000
Profit on debt forgiven	-	25
Profit on acquisition	-	11
Interest	2	-
R&D income	463	-
	<u>465</u>	<u>36</u>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 7. Income tax expense

	Consolidated	
	Year Ended 2022 \$'000	Year Ended 2021 \$'000
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax	269	-
Aggregate income tax expense	<u>269</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(139)	(1,947)
Tax at the statutory tax rate of 25% (2021: 26%)	(35)	(506)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation of property, plant and equipment	78	25
Impairment of assets	93	-
Share-based payments	149	-
Other non-deductible expenses	(16)	47
	269	(434)
Current period tax losses not recognised	-	341
Current period temporary differences not recognised	-	93
Income tax expense	<u>269</u>	<u>-</u>
	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	-	1,312
Potential tax benefit @ 25%	-	328

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 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Current assets</i>		
Cash at bank	<u>11,161</u>	<u>7,609</u>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 9. Trade and other receivables

	Consolidated	
	Year Ended 30	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
<i>Current assets</i>		
Trade receivables	467	10

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. The allowance for expected credit losses is Nil (2021: Nil).

Note 10. Right-of-use assets

	Consolidated	
	Year Ended 30	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	300	487

Additions to the right-of-use assets during the year were \$10,000.

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	\$'000	Total \$'000
Balance at 1 July 2020	-	-
Additions - land and buildings	585	585
Depreciation expense	(98)	(98)
Balance at 30 June 2021	487	487
Additions - land and buildings	10	10
Depreciation expense	(197)	(197)
Balance at 30 June 2022	300	300

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 Ltd
Notes to the financial statements
30 June 2022

Note 10. Right-of-use assets (continued)

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

	Consolidated	
	Year Ended 2022 \$'000	Year Ended 2021 \$'000
Depreciation expenses of right-of-use assets	197	98
Interest expense on lease liabilities	21	11
Expenses relating to short-term lease	74	6
Expenses relating to variable lease payments	-	6
	<u>292</u>	<u>121</u>

Note 11. Financial assets

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Current assets</i>		
Security deposits - at amortised costs	<u>18</u>	<u>2</u>
<i>Non-current assets</i>		
Security deposits - at amortised costs	261	261
Ordinary shares - at fair value through profit and loss	<u>933</u>	<u>-</u>
	<u>1,194</u>	<u>261</u>

Refer to note 28 for further information on fair value measurement.

Note 12. Pending bets

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Current assets</i>		
Pending bets	<u>21</u>	<u>-</u>

Note 13. Other current assets

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Current assets</i>		
Prepayments	<u>104</u>	<u>9</u>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 14. Property, plant and equipment

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Non-current assets</i>		
Computer equipment - at cost	228	93
Less: Accumulated depreciation	(54)	(10)
	<u>174</u>	<u>83</u>
Office equipment - at cost	258	236
Less: Accumulated depreciation	(93)	(10)
	<u>165</u>	<u>226</u>
	<u><u>339</u></u>	<u><u>309</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	Computer equipment \$'000	Office equipment \$'000	Total \$'000
Balance at 1 July 2020	-	-	-
Additions	93	236	329
Depreciation expense	(10)	(10)	(20)
Balance at 30 June 2021	83	226	309
Additions	134	22	156
Depreciation expense	(43)	(83)	(126)
Balance at 30 June 2022	<u><u>174</u></u>	<u><u>165</u></u>	<u><u>339</u></u>

Note 15. Intangibles

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Non-current assets</i>		
Patents and trademarks - at cost	<u>1</u>	<u>1</u>
Software - at cost	1,702	940
Less: Accumulated amortisation	(338)	(70)
	<u>1,364</u>	<u>870</u>
Work in progress	<u>350</u>	<u>-</u>
	<u><u>1,715</u></u>	<u><u>871</u></u>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 15. 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 \$'000	Software \$'000	Total \$'000
Balance at 1 July 2020	-	-	-
Additions - internally developed	1	940	941
Amortisation expense	-	(70)	(70)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2021	1	870	871
Additions - internally developed	-	1,112	1,112
Amortisation expense	-	(268)	(268)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	<u>1</u>	<u>1,714</u>	<u>1,715</u>

Note 16. Trade and other payables

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Current liabilities</i>		
Trade payables	2,499	195
Accrued expenses	356	187
	<hr/>	<hr/>
	<u>2,855</u>	<u>382</u>

Note 17. Lease liabilities

	Consolidated	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
<i>Current liabilities</i>		
Lease liability	220	222
	<hr/>	<hr/>
<i>Non-current liabilities</i>		
Lease liability	121	316
	<hr/>	<hr/>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 18. Employee benefits

	Consolidated Year Ended 30 June 2022 \$'000	Consolidated Year Ended 30 June 2021 \$'000
<i>Current liabilities</i>		
Annual leave	547	201
<i>Non-current liabilities</i>		
Long service leave	135	55
	Annual leave provision \$	Long service leave provision \$
Carrying amount at the start of the period	200,765	54,632
Additional provisions recognised	440,609	80,192
Leave taken	(94,217)	-
Carrying amount at the end of the period	547,157	134,824

Expenses recognised for employee benefits are analysed below:

	Consolidated Year Ended 30 June 2022 \$'000	Consolidated Year Ended 30 June 2021 \$'000
Salaries	5,052	1,313
Superannuation	404	107
Payroll tax	169	10
Share options cost	572	231
Other expenses	56	4
Less: capitalised as development costs	(1,111)	(348)
	5,142	1,317

Note 19. Client deposits on hand

	Consolidated Year Ended 30 June 2022 \$'000	Consolidated Year Ended 30 June 2021 \$'000
<i>Current liabilities</i>		
Client deposits on hand	1,443	97

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 20. Pending bets

	Consolidated	
	Year Ended 30	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
<i>Current liabilities</i>		
Pending bets	-	41

Note 21. Deferred tax

	Consolidated	
	Year Ended 30	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
<i>Non-current liabilities</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	354	-
Financial assets at fair value through profit or loss	(91)	-
Right of use assets	75	-
Other	182	-
Provisions	(255)	-
Lease liabilities	4	-
Deferred tax liability	269	-

Note 22. Issued capital

	Consolidated			
	Year Ended 30	Year Ended 30	Year Ended 30	Year Ended 30
	June 2022	June 2021	June 2022	June 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	192,221,288	150,000,000	6,682	-
A Class shares - fully paid	51,660,869	51,660,869	5,210	5,210
Less: Share issue costs	-	-	(542)	(93)
Less: Share issue costs - options issued	-	-	(3,088)	(1,777)
	<u>243,882,157</u>	<u>201,660,869</u>	<u>8,262</u>	<u>3,340</u>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 22. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2020	1	-
Ordinary shares issued during the year		149,999,999	-
Balance	30 June 2021	150,000,000	-
Ordinary shares transferred from other contributing equity		28,490,644	4,843
Additional capital raise		13,730,644	1,839
Balance	30 June 2022	<u>192,221,288</u>	<u>6,682</u>

Movements in class A share capital

Details	Date	Shares	\$'000
Balance	1 July 2020	-	-
Class A shares issued during the year		51,660,869	5,210
Balance	30 June 2021	51,660,869	5,210
Balance	30 June 2022	<u>51,660,869</u>	<u>5,210</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 preferential 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.

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

1. 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).
2. "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.
3. 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.
4. 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.
5. "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.
6. "A" Class Shares has same rights as those conferred on ORD Shares to receive notices, reports and audited accounts, and attending meetings.
7. "A" Class Shares has one vote per share.

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 22. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

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 would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

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	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
Capital raising	-	4,843

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	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
Options reserve	3,822	2,008

Note 25. Accumulated losses

	Consolidated	
	Year Ended 30	Year Ended 30
	June 2022	June 2021
	\$'000	\$'000
Accumulated losses at the beginning of the financial period	(1,947)	-
Loss after income tax expense for the period	(408)	(1,947)
Accumulated losses at the end of the financial period	(2,355)	(1,947)

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

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.

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.

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 27. Financial instruments (continued)

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 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	2,499	-	-	-	2,499
Client deposits on hand	-	1,443	-	-	-	1,443
<i>Interest-bearing - variable</i>						
Lease liability	-	220	121	-	-	341
Total non-derivatives		4,162	121	-	-	4,283
	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	%	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	195	-	-	-	195
Client deposits on hand	-	97	-	-	-	97
Pending bets	-	41	-	-	-	41
<i>Interest-bearing - variable</i>						
Lease liability	3.87%	222	233	83	-	538
Total non-derivatives		555	233	83	-	871

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.

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 28. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - Year Ended 30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Listed securities	683	-	-	683
Shares held in Mercari Pty Limited	-	250	-	250
Total assets	683	250	-	933

There were no transfers between levels during the financial period.

The fair value of financial instruments is estimated as follows:

Listed securities

Fair value was determined using quoted market price (level 1 in fair value hierarchy).

Shares held in Mercari Pty Limited

Fair value was determined using market prices prevailing at balance date (level 2 in fair value hierarchy).

Note 29. Key management personnel disclosures

Directors and other key management personnel

The following persons were directors of BetTube Corporation Ltd during the financial period:

Anthony Robert Waller	Full financial year
Weng Nian Siow	Full financial year
Paul John Weekes	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 2022	Year Ended 2021
	\$	\$
Short-term employee benefits	441,560	374,926
Post-employment benefits	39,118	34,811
Long-term benefits	9,300	31,572
Share-based payments	150,416	44,190
	640,394	485,499

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 30. Remuneration of auditors

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

	Consolidated	
	Year Ended	Year Ended
	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Australia</i>		
Audit or review of the financial statements	88,000	56,500

Note 31. 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. The matter is on-going as of the date of the signing of this report with hearing in Local Court listed for 23 November 2022. Please note there were two distinct separate advertisements, each "published" in 3 different media, hence six advertisements.

Note 32. Related party transactions

Parent entity

BetTube Corporation Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

Transactions with related parties

There were no 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.

Note 33. 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	Year Ended
	2022	2021
	\$'000	\$'000
Loss after income tax	(1,542)	(301)
Total comprehensive income	(1,542)	(301)

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 33. Parent entity information (continued)

Statement of financial position

	Parent	
	Year Ended 30 June 2022 \$'000	Year Ended 30 June 2021 \$'000
Total current assets	5,977	6,951
Total assets	7,255	7,397
Total current liabilities	(3,135)	(2,493)
Total liabilities	(2,986)	(2,493)
Equity		
Issued capital	8,262	3,340
Other contributed equity	-	4,843
Options reserve	3,822	2,008
Accumulated losses	(1,843)	(301)
Total equity	10,241	9,890

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 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

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.
- 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.

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 2022 %	Year Ended 30 June 2021 %
IRPSX Pty Limited	Australia	100.00%	100.00%
Bet Right Pty Limited	Australia	100.00%	100.00%
ACN 648 341 360 Pty Limited	Australia	100.00%	100.00%

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 35. Events after the reporting period

BetTube Corporation Ltd applied for direct listing on NSXA in November 2021. The company was listed on NSXA on 14 July 2022, NSX code is NSX:BOX.

No other matter or circumstance has arisen since 30 June 2022 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 from/(used in) operating activities

	Consolidated	
	Year Ended	Year Ended
	2022	2021
	\$'000	\$'000
Loss after income tax expense for the period	(408)	(1,947)
Adjustments for:		
Depreciation and amortisation	591	189
Fair value losses on financial assets at FVPL	356	-
Share-based payments	572	231
Other	24	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(457)	(24)
Increase in prepayments	(95)	(9)
Increase in other operating assets	(37)	(263)
Increase in trade and other payables	2,473	382
Increase in deferred tax liabilities	269	-
Increase in employee benefits	426	255
Increase in other operating liabilities	1,305	138
Net cash from/(used in) operating activities	<u>5,019</u>	<u>(1,048)</u>

Note 37. Earnings per share

	Consolidated	
	Year Ended	Year Ended
	2022	2021
	\$'000	\$'000
Loss after income tax attributable to the owners of BetTube Corporation Ltd	<u>(408)</u>	<u>(1,947)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>235,647,852</u>	<u>163,516,256</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>235,647,852</u>	<u>163,516,256</u>
	Cents	Cents
Basic earnings per share	(0.17)	(1.19)
Diluted earnings per share	(0.17)	(1.19)

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

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 Board, 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 Board.

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

				Number of options Year Ended 30 June 2022	Weighted average exercise price Year Ended 30 June 2022	Number of options Year Ended 30 June 2021	Weighted average exercise price Year Ended 30 June 2021
Outstanding at the beginning of the financial period				21,980,311	\$0.21	-	\$0.00
Granted				32,705,341	\$0.22	21,980,311	\$0.21
Forfeited				(1,310,000)	\$0.26	-	\$0.00
Outstanding at the end of the financial period				<u>53,375,652</u>	\$0.22	<u>21,980,311</u>	\$0.21
Year Ended 30 June 2022							
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	-	-	(116,250)	1,975,937
01/04/2021	31/03/2028	\$0.30	2,260,000	-	-	(161,250)	2,098,750
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
01/07/2021	30/06/2028	\$0.10	-	1,171,876	-	-	1,171,876
01/07/2021	30/06/2028	\$0.20	-	1,342,187	-	(116,250)	1,225,937
01/07/2021	30/06/2028	\$0.30	-	1,578,750	-	(161,250)	1,417,500
01/10/2021	30/09/2028	\$0.10	-	4,771,225	-	-	4,771,225
01/10/2021	30/09/2028	\$0.20	-	8,540,890	-	(116,250)	8,424,640
01/10/2021	30/09/2028	\$0.30	-	1,578,750	-	(161,250)	1,417,500
31/10/2021	30/10/2028	\$0.30	-	2,163,533	-	(50,000)	2,113,533
01/01/2022	31/12/2028	\$0.10	-	1,171,876	-	-	1,171,876
01/01/2022	31/12/2028	\$0.20	-	1,342,187	-	(116,250)	1,225,937
01/01/2022	31/12/2028	\$0.30	-	1,578,750	-	(161,250)	1,417,500
31/01/2022	30/01/2028	\$0.30	-	2,163,533	-	(50,000)	2,113,533
30/04/2022	29/04/2029	\$0.30	-	2,163,533	-	(50,000)	2,113,533
30/06/2022	29/06/2029	\$0.20	-	419,220	-	-	419,220
30/06/2022	29/06/2029	\$0.30	-	2,719,031	-	(50,000)	2,669,031
			<u>21,980,311</u>	<u>32,705,341</u>	-	<u>(1,310,000)</u>	<u>53,375,652</u>

BetTube Corporation Ltd
Notes to the financial statements
30 June 2022

Note 38. Share-based payments (continued)

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 \$0.13 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 Ltd 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	1.88% to 3.77%
Price volatility	95% based on the assessment of the volatility of BetTube Corporation Ltd shares from an analysis of the share price volatility of a basket of listed comparable companies

BetTube Corporation Ltd
Directors' declaration
30 June 2022

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 2022 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

13 September 2022

Independent Auditor's Report

To the Members of BetTube Corporation Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of BetTube Corporation Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year 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 2022 and of its performance for the year 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Research & Development tax incentive – Note 6

Management has applied for the research and development ('R&D') tax incentive with the Australian Tax Office ('ATO') in relation to the continued software development of the betting platform.

The R&D tax incentive requires judgement and specialised knowledge involved in determining the eligible expenditure, which gives rise to the anticipated R&D tax incentive. Eligible expenditure must meet certain criteria to be eligible for "core" or "supporting" R&D activities.

Management has engaged an expert to assist with the preparation of the R&D tax claim. This is the first R&D tax incentive claim for BetTube Corporation Ltd. Management expects to record this on an accruals basis although the Group has now exceeded the \$20 million threshold and will receive a tax credit.

This area is a key audit matter due to the judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.

Our procedures included, amongst others:

- Performing a review of the nature of the associated expenses throughout the year and the 2021 year for which expenditure is also being claimed;
- Selecting a statistical sample of recorded expenditure and agreed to invoice to assess the eligibility and accuracy of the cost;
- Utilising an internal R&D expert to:
 - Review the expenditure methodology employed by management for consistency with the R&D tax offset rules; and
 - Consider the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria.
- Assessing the reasonableness of the allocated amounts and recalculating the R&D income;
- Testing a sample of recorded expenditure and agreeing to supporting documentation to ensure appropriate classification, the validity of the claimed amount and eligibility against the R&D tax incentive scheme criteria;
- Evaluating the work of managements expert, including assessing the competence, capability and objectivity of the expert and those preparing the assessment to ensure that the calculations and amounts recorded are appropriate;
- Recalculating the portion of R&D income to be recognised upfront or amortised; and
- Assessing the adequacy of disclosures in the financial statements.

Capitalisation of software development costs - Note 15

Capitalised software costs had a net carrying value of \$1,714,000 at 30 June 2022.

During the year, the Group capitalised \$1,112,000 of costs related to product development. These intangible assets are being amortised over their finite life of 5 years.

AASB 138 *Intangible Assets* sets out the specific requirements to be met to capitalise development costs. Intangible assets should be amortised over their useful economic lives in accordance with AASB 138.

This area is a key audit matter due to the subjectivity and management judgement applied in assessing whether costs meet the development phase criteria described in AASB 138 and the judgement involved in determining the assets useful life.

Our procedures included, amongst others:

- Assessing management's assumptions and estimates made in capitalising development costs against the eligibility criteria in AASB 138;
- Assessing the estimated useful life of the intangible asset;
- Testing on a sample basis, costs capitalised to the underlying evidence including:
 - corroborating the proportion of salaries and wages allocated to the development; and
 - testing the accuracy of the value allocated by reference to employment contracts and payroll reports; and
- Assessing the adequacy of the disclosures relating to intangible assets in the financial statements, including those made with respect to judgements and estimates.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 and for 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/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 4 to 7 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of BetTube Corporation Ltd, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

N J Bradley Partner – Audit & Assurance

Sydney, 13 September 2022

BetTube Corporation Ltd
Shareholder information
30 June 2022

The shareholder information set out below was applicable as at 13 September 2022.

Distribution of equitable securities

Analysis of number of quoted equitable security holders by size of holding:

Holding	Number of Holders	Number of ORD Shares (Quoted Securities)	% of total issued quoted capital
1 – 1,000	248	248,000	0.13
1,001 – 5,000	1	2000	0.001
5,001 – 10,000	0	0	0.00
10,001 – 100,000	7	477,127	0.25
100,001+	67	191,494,161	99.62
Total	323	192,221,288	100

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Name	Number of ORD Shares (Quoted securities)	% of total issued quoted capital
1	BetTube Pty Ltd	119,745,001	62.30
2	Dave Bunny Pty Ltd	15,000,000	7.80
3	IR Plus Group Holdings Limited	14,050,000	7.31
4	Paspalis Financial Services Pty	1,939,881	1.01
5	Heatherbrae Equities Pty Ltd	1,764,706	0.92
6	Daphwood Pty Ltd	1,764,706	0.92
7	Thomas Patrick Coates	1,544,765	0.80
8	Alara & Co Pty Ltd	1,470,588	0.77
9	V & D Bellato Pty Ltd	1,470,588	0.77
10	Deejay Management Pty Ltd	1,470,588	0.77
11	Dennaline Management Pty Ltd	1,470,588	0.77
12	Dinicola Management Pty Ltd	1,470,588	0.77
13	Jetan Pty Ltd	1,200,000	0.62
14	Michael Downes	1,188,235	0.62
15	PNB Cropping Pty Ltd	1,176,471	0.61
16	Eleonore Boucard	1,128,117	0.59
17	Troy Sobolewski	1,089,236	0.57
18	Webinvest Pty Limited	1,000,000	0.52
19	E L N Ford Pension Fund	1,000,000	0.52
20	Montclair Pty Limited	1,000,000	0.52
	Total	171,944,058	89.48
	Total of ORD Shares issued	192,221,288	

BetTube Corporation Ltd
Shareholder information
30 June 2022

Unquoted equity securities

There are 51,660,869 unquoted equity securities. These are "A" class shares as set out in the Company's Information Memorandum.

Voting rights

The voting rights attached to shares are set out below:

Ordinary shares

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

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.

There are no other classes of equity securities.

Additional Report to 2022 Annual Report

In accordance with NSX Listing Rule 6.9, the Company provides the following information as at 30 June 2022:

1. The principal activities of the Company are set out on page 1 of the Annual Report.
2. The Company has the following subsidiary companies:
 - A. IRPSX Pty Ltd, registered 21 May 1999 in Australia, conducts the wagering business of the BetTube Group. Licensed as a Sports Bookmaker in the Northern Territory.
 - B. Bet Right Pty Ltd, registered 4 September 2020 in Australia, is a dormant non-trading company.
 - C. ACN 648 341 360 Pty Limited, registered 1 March 2021 in Australia, is a trustee company. ACN 648 341 360 Pty Limited is the independent trustee company of the private ancillary fund, Better Private Ancillary Fund, set up as an independent distributor of funds contributed by the Company to charities and research institutions in the wagering sector.
3. The interests of each Director and Officer in the Company are set out on pages 2 and 3 of the Annual Report.
4. The accounts presented with this report do not differ materially from any forecast previously issued by the Company.
5. There are no service contracts for Directors that are proposed for election at the forthcoming Annual General Meeting.
6. There are no contracts of significance:
 - (i) subsisting during or at the end of the financial year in which a Director of the Company is or was materially interested, either directly or indirectly;
 - (ii) between the Company, or one of its subsidiaries, and a controlling shareholder or any of its subsidiaries;
 - (iii) for the provision of services to the group by a controlling shareholder or any of its subsidiaries;
7. There are no arrangements under which a Director has waived or agreed to waive any emoluments.
8. There are no arrangements under which a shareholder has waived or agreed to waive any dividends.
9. Five year comparative table of financial results:

The Company has had only one year of full trading and therefore there are no financial results to compare with the FY2021-2022. Page 11 of the Annual Report sets out the financial results for 2022 and 2021 as required. It should be noted that the FY2020-2021 including only one month (June) of trading operations.
10. An explanatory statement relating to the activities of the Company and the group and income (or loss) during the financial period is set out on pages 1 and 2 of the Annual Report.

11. Statement on Corporate Governance:

The Company subscribes to the necessity for a well-constructed and drafted corporate governance structure following the *Cadbury Report*.

The Company has adopted a NSXA-compliant Constitution with the addition of provisions mandated by legislation and regulations governing the wagering business.

The Company has also adopted a Board Charter, Corporate Governance Statement, Code of Conduct and Ethics, AML Program, and Procedures for disclosure and the maintenance of the personal information and interests register.

Board Charter

The Board Charter Ethics includes provisions on the following matters:

1. Board responsibilities;
2. Term of membership of the board;
3. The role of chairman;
4. Restriction on activities of Chief Executive Officer and Chairman;
5. The role of the Company Secretary;
6. Scope of activities of the Board; and
7. Reporting activities of the board

Corporate Governance Statement

The Company models its Corporate Governance Statement (which applies to the Company and its subsidiaries) after the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* 4th edition 2019.

The Company believes its Corporate Governance Statement are in accordance with the following principles from the *Corporate Governance Principles and Recommendations* given the nature, ownership and relative size of the Company and its subsidiaries.

Principle 1: Lay Solid Foundations for Management and Oversight

Principle 2: Structure The Board to Add Value

Principle 3: Act Ethically and Responsibly

Principle 5: Make Timely and Balanced Disclosure

Principle 6: Respect the Rights of Security Holders

The Company believes its Corporate Governance Statement are in accordance with the following principles from the *Corporate Governance Principles and Recommendations*, but in view of the nature, ownership and relative size of the Company and its subsidiaries, has not appointed an Audit Committee, a Risk Committee, and a Remuneration Committee in line with the principles. The Company's Board of Directors oversees such these functions.

Principle 4: Safeguard Integrity in Corporate Reporting

Principle 7: Recognise and Manage Risk

Principle 8: Remunerate Fairly and Responsibly

Code of Conduct and Ethics

The Code of Conduct and Ethics includes provisions on the following matters:

1. Responsibilities to shareholders;
2. Obligation to act with care and due diligence;
3. Policy on identifying and dealing with conflicts of interest;
4. Policy on confidentiality;
5. Policy on use of company assets;
6. Policy on shareholder and stakeholder privacy;
7. Policy on monitoring and reporting on the code;
8. Policy on diversity and inclusion; and
9. Policy on anti-slavery.

AML Program

As a licensed wagering operator through its subsidiary, IRPSX Pty Ltd, the Company is a provider of designated services under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and is obligated to have an AML Program.

Communication Policy with Shareholders

The Company complies with the prescribed disclosure requirements under the Listing Rules, ASIC policies and the Act.

Risk Policy

The Company operates a licensed sports bookmaking business through its subsidiary IRPSX Pty Ltd. The whole business is based on risk. The plans, policies and procedures on dealing with risk is highly confidential involving trade secrets and also part of the Company's intellectual property. The policy cannot be disclosed. Parts of the risk policy are disclosed in the AML Program in so far as they deal with anti-money laundering and counter-terrorism finance risks.

Remuneration Policy

Remuneration packages for senior management and other employees aim to be competitive in the market and are based on prevailing market conditions.

12. The top 10 fully paid ordinary shareholders as at 13 September 2022:

	Name	Number of ORD Shares	% of total quoted issued capital
1	BetTube Pty Ltd	119,745,001	62.30
2	Dave Bunny Pty Ltd	15,000,000	7.80
3	IR Plus Group Holdings Limited	14,050,000	7.31
4	Paspalis Financial Services Pty	1,939,881	1.01
5	Heatherbrae Equities Pty Ltd	1,764,706	0.92
6	Daphwood Pty Ltd	1,764,706	0.92
7	Thomas Patrick Coates	1,544,765	0.80
8	Alara & Co Pty Ltd	1,470,588	0.77
9	V & D Bellato Pty Ltd	1,470,588	0.77
10	Deejay Management Pty Ltd	1,470,588	0.77
11	Dennaline Management Pty Ltd	1,470,588	0.77
12	Dinicola Management Pty Ltd	1,470,588	0.77

13. The top 10 fully paid "A" Class shareholders as at 13 September 2022:

	Name	No. of "A" Class Shares	% of total issued "A" Class Shares
1	Paspalis Financial Services Pty Limited	10,000,000	19.36
2	Greg Fleay & Mickyla Fleay	5,000,000	9.68
3	Jeffrey Taylor	3,500,000	6.77
4	Michael Downes	3,000,000	5.81
5	AG Investment Fund Pty Ltd	2,500,000	4.84
6	Endless Horizon Australia Pty Ltd	2,500,000	4.84
7	Lyndon Hsu	2,500,000	4.84
8	Astonby Capital Management Pty Ltd	2,000,000	3.87
9	John Thomas Ryall and Belinda Lee Ryall	2,000,000	3.87

	Name	No. of "A" Class Shares	% of total issued "A" Class Shares
10	K&E Cooper Pty Ltd	2,000,000	3.87
11	Scott John Bradley, Rebecca Anne Bradley and Mt Eden Trust Company Limited	2,000,000	3.87

14. The distribution of fully paid ordinary shareholders as at 13 September 2022:

Holding	Number of Holders	Number of ORD Shares	% of issued capital
1 - 1,000	248	248,000	0.13
1,001 - 5,000	1	2000	0.001
5,001 - 10,000	0	0	0.00
10,001 - 100,000	7	477,127	0.25
100,001+	67	191,494,161	99.62
Total	323	192,221,288	100

15. The distribution of fully paid "A" Class (unquoted) shareholders as at 13 September 2022:

Holding	Number of Holders	Number of "A" Class Shares	% of issued capital
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	0	0	0.00
10,001 - 100,000	4	270,000	0.52
100,001+	29	51,390,869	99.48
Total	33	51,660,869	100.00